DAILY REPORT

East Europe

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FOREIGN TRADE UNIONISTS ARRIVE FOR CONGRESS

AU231138 Tirana ATA in English 0735 GMT 23 Jun 87

[All non-Albanian names as received]

[Text] Tirana, June 23 (ATA) -- At the invitation of the General Council of the Trade Unions of Albania, there arrived in our country to attend the proceedings of the 10th Congress of TUA [Trade Unions of Albania] the delegation of the African Trade Unions Unity Organization (TUUO), headed by Benais Gussis, deputy-secretary general of this organization; the delegation of the Pan-African Congress of Azania headed by Ahmed Gora Ebrahim, foreign secretary of this congress; the delegation of the Trade Unions Revolutionary Opposite of Britain, headed by Sam Mathews, secretary of this opposite; the delegation of the Revolutionary Trade Unions of Denmark, headed by Fleming Jemsen, vice chairman of the Trade Unions; the delegation of the General Workers' Union of Ecuador, headed by Patricio Aldaz, president of this trade union; the delegation of the National Workers' Union of Mali, headed by Ousmane Niare, management secretary of this union; the delegation of the Labour Congress of Nigeria headed by Morgan Anigbo, vice secretary general of this congress; the delegation of the Peasants' Confederation of Peru headed by Victor Bonzano Cardenas, secretary of the Executive Committee of this confederation; the delegation of the Class Trade Unions Trend of Portugal, headed by Gonsalo Castiljo, national secretary of its national council; the delegation of the Assembly Workers' Association of Spain, headed by Francisco Bodi, first secretary of this organization; the delegation of the Revolutionary Trade Unions Opposite of Sweden, headed by Peter Karlsson, chairman of the Ports' Workers' Association of Southern Sweden; and the guest from France, AimeDelrue.

They were welcomed by the secretaries of the General Council of TUA, Nimet Cani and Strati Marko, and other comrades.

More Delegations Arrive

AU240937 Tirana ATA in English 0730 GMT 24 Jun 87

[All non-Albanian names as received]

[Text] Tirana, June 24 (ATA) -- At the invitation of the General Council of Trade Unions of Albania, the delegation of the Trade Union Arab International Confederation (TUAIC) led by Muhamed Al Hatib, head of the Department of Public Relations of this confederation; the delegation of the Trade Union Federation of Egypt headed by Abdel Rahman Khadr, assistant general secretary of this federation; the delegation of the Free Trade Union Confederation of the Working People of Madagascar led by Aime Rabiaza, president of this confederation; the delegation of the General Union of the Working people of Tanzania led by Mohamed Harub Tawani, member of the National Executive Council of this union; and trade union friends from Greece, Sotiris Matxios and Vasilis Papastafidas, arrived in our country yesterday to attend the proceedings of the 10th Congress of the TUA [Trade Unions of Albania].

They were welcomed by the secretaries of the General Council of the TUA, Farije Salicaj and Shenasi Zenelaj and other comrades.

DYULGEROV, USSR'S KAZAKOV VIEW UNION REFORM TASKS

AU242019 Sofia TRUD in Bulgarian 20 Jun 87 p 1

["Own information" report: "Frank Conversation on Topical Problems"]

[Text] Yesterday a meeting was held in the Central Council of Bulgarian Trade Unions between a delegation from the All-Union Central Council of Trade Unions of the USSR [AUCCTU] led by AUCCTU Presidium Secretary Leonid Kazakov, and Petur Dyulgerov, BCP Central Committee Politburo candidate member and chairman of the Central Council of Bulgarian Trade Unions. Other participants in the meeting were Soviet Ambassador to Bulgaria Leonid Grekov and Mariya Vasileva and Georgi Karaulanov, secretaries of the Central Council of Bulgarian Trade Unions.

AUCCTU Secretary Leonid Kazakov spoke on behalf of his delegation's members of their impressions of their visits to a number of okrugs and their meetings with labor collectives. He expressed satisfaction with what they had seen and emphasized that special attention will be paid to the best of our social experiences. Later he spoke about the tasks being solved by the Soviet trade unions following the 27th CPSU Congress and the 18th Trade Union Congress. These are responsible tasks aimed at the main goal of making a real trade union contribution to the restructuring being carried out in the Soviet Union and of performing effective work for the social well-being of the Soviet workers.

Comrade Petur Dyulgerov gave the visitors a detailed briefing on the social activities of the Bulgarian trade unions and their achievements in recent years: the rapid development of rest and recreation facilities; their own real contribution to constructing more housing for working people; and the consistent and effective work to meet the social needs of the labor collectives at their workplaces, all this -- a most important point -- with the workers active direct participation. He spoke later of the great responsible tasks that the 13th BCP Congress set for the trade unions and workers to ensure qualitatively new growth in the economy and the other spheres of our society, and of the specifc definition of the trade unions' responsibilities and tasks set out at the 10th Trade Union Congress. The visitors' attention was drawn to the program for restructuring the entire range of trade union activities and the practical actions being taken to apply the congress decisions in real practice. In the conditions of self-management this means eliminating the centralist principle in management, strengthening and encouraging the initiative, creativity, and responsibilities of the basic trade union organizations, and combatting bureaucratic attitudes and stereotyped approaches. In conclusion, Comrade Petur Dyulgerov informed the visitors that the restructuring of trade union work is also predetermined by important changes in the economy and is based on important normative documents, such as the Labor Code, the Code for Economic Activity, and the National Assembly decree on placing socialist property under the management and administration of the labor collectives.

JOINT PPR TALKS ON INTEGRATING ECONOMIC PLANS BEGIN

Iliev Meets PPR's Gorywoda

AU241947 Sofia Domestic Service in Bulgarian 1730 GMT 24 Jun 87

[Text] The Bulgarian-Polish talks that opened in Sofia today are concerned with the tasks stemming from the agreements reached between Comrades Todor Zhivkov and Wojciech Jaruzelski during their meeting in April 1987.

The delegations are led by the chairman of central planning organs, Ivan Iliev, deputy chairman of the Council of Ministers, and Manfred Gorywoda, deputy chairman of the Polish Council of Ministers. They are discussing possibilities and forms for deepening the integration process between the two countries and questions relating to the coordination of the national economic plans of Bulgaria and Poland in the 1991-96 period. Manfred Gorywoda was received by Comrade Georgi Atanasov.

Sign Protocol, End Talks

AU251817 Sofia Domestic Service in Bulgarian 1630 GMT 25 Jun 87

[Text] The talks between the delegations of the central planning organs of Bulgaria and Poland ended today with the signing of a protocol. The delegations discussed the future development of bilateral economic ties, which envisages stimulating the integration processes between the two countries. Terms were set for coordinating the basic directions of the technical, scientific, and economic cooperation between Bulgaria and Poland until the end of the century.

It was agreed that the economic organizations and production collectives of the two countries should take a direct, active part in defining the specific tasks.

The document was signed by the leaders of the central planning organs of the two countries, Ivan Iliev and Manfred Gorywoda.

POLITBURO APPROVES OF MONGOLIAN LEADER'S VISIT

AU221852 Sofia Domestic Service in Bulgarian 1730 GMT 22 Jun 87

[Text] The BCP Central Committee Politburo listened to a report on the official visit of a Mongolian party and state delegation to our country, which took place from 10 through 13 June 1987. The BCP Central Committee Politburo expressed its high appreciation for the talks between the delegations under the leadership of Comrades Todor Zhivkov and Jambyn Batmonh, which proceeded in a cordial and comradely atmosphere, in a spirit of full mutual understanding and unanimity of views on all questions discussed. It was pointed out that the agreements reached will contribute to further development of close cooperation and comprehensive unity of action between the BCP and the Mongolian People's Revolutionary Party, between Bulgaria and Mongolia, for the consolidation of fraternal friendship between the Bulgarian and Mongolian peoples, and to the benefit of the unity and cohesion of the socialist community member countries

It was stressed that the new friendship and cooperation treaty signed by Comrades Todor Zhivkov and Jambyn Batmonh for a 20-year period represents a solid basis for the expansion and intensification of Bulgarian-Mongolian relations in the spirit of Marxism-Leninism and internationalism. The implementation of the long-term program signed in Ulaanbaatar in June 1985 for the development of economic and scientific-technical cooperation between the two countries was reviewed and measures for its further implementation were designed.

A number of questions connected with the appliation of contemporary forms of socialist economic integration were discussed in connection with the Comprehensive Program of Scientific and Technological Progress of the Member States of CEMA Until the Year 2000 were discussed and questions pertaining to the agreements signed at the November 1986 Moscow summit conference were also handled.

The BCP Central Committee Politburo fully approves of the evaluations of the present international situation expressed during the Bulgarian-Mongolian talks and the need to create an all-round system of international peace and security, as well as the need to transform peaceful coexistence into an universal principle of interstate relations.

Bulgaria and Mongolia wholeheartedly support the Soviet foreign policy initiatives and highly appreciate the constructive approach of the Warsaw Pact member states at the recent session of its Political Consultative Committee in Berlin. The two countries approve the practical steps for stopping the arms race and for eliminating the nuclear threat, as well as for guaranteeing lasting peace and for mutually advantageous cooperation based on equal rights among the peoples of Europe, Asia, and the whole world.

The BCP Central Committee Politburo entrusted the competent party and state organs, as well as departments and economic organizaions, to map out the necessary measures and to adopt specific actions for implementing the agreements between the leading party and state leaders of Bulgaria and Mongolia.

ATANASOV, DASCALESCU SHOW SATISFACTION WITH TALKS

AU241505 Sofia BTA in English 1424 GMT 24 Jun 87

[Text] Sofia, June 24 (BTA) -- An announcement on the official friendly visit to Bulgaria (June 22 through June 24) of Mr. Constantin Dascalescu, chairman of the Council of Ministers of Romania, has been handed in for publication today.

The announcement reads that the two countries' prime ministers, Mr Georgi Atanasov and Mr Constantin Dascalescu, have expressed satisfaction with the results of their talks.

They have studied the state and future of the bilateral relations and the fulfillment of the agreements reached at the summit of the heads of state of Bulgaria and Romania. According to the two premiers, the agreements are being fulfilled successfully.

The economic and techno-scientific cooperation, the trade exchange, specialization and industrial cooperation are developing successfully. A number of agreements on economic cooperation, specialization and industrial cooperation in the fields of mechanical engineering, the electrical, electronic, steel and chemical industries, transport and agriculture are being fulfulled.

At the same time, bearing in mind the experience which has been gained and the potentials of the two countries, they stressed the necessity of activating work on specialization and joint production, on scientific and technological cooperation and on the broader application of new efficient forms of cooperation with the aim of providing a steady and long-term growth of counter trade in the following years. The respective ministries and economic organizations have been set the task to sign contracts and other agreements for joint production and specialization in the fields of computer equipment, electronic constituent parts, power equipment and high-voltage machines and refrigeration equipment.

The two prime ministers analysed the work on the use of the hydrotechnological potential of the Danube and on the joint building of projects.

Mr Georgi Atanasov and Mr Constantin Dascalescu stressed the necessity of activating cooperation in agriculture.

They emphasized the will of Bulgaria and Romania to work for promoting cooperation within the framework of the CMEA in the spirit of the resolutions of the economic summit (1984) and of the Comprehensive Programme of Scientific and Technological Progress of the Member States of CMEA Until the Year 2000.

They gave a positive assessment to the relations in the field of culture, science, education, the mass media, health care and sport.

The heads of the Governments of Bulgaria and Romania exchanged opinions on some topical issues of the international situation.

SOFIA RADIO CARRIES ECONOMIC REPORTS 14-20 JUNE

AU202027 [Editorial Report] Sofia Domestic Service in Bulgarian in its broadcasts between 14 and 20 June 1987 carries the following economic performance reports (time and date of each broadcast are given in parentheses):

Kurdzhali Okrug: Power workers in the okrug have produced over 70 million hours of electric power since the start of the year, which represents two-thirds of the planned amount for this year. (0900 GMT 20 June)

Sofia City: A session of the Executive Committee of the Sofia City People's Council and the Executive Bureau of the "Construction and Building Industry" Association discussed the project for building Sofia's first metro line, from the Lyulin Housing Estate to Konstantin Velichkov Boulevard. Delays in completing the construction tasks for this year were noted; since the start of the year, only 20 percent of the construction planned for 1987 has been completed. (0900 GMT 20 June)

Individual plant news: At the Maritsa East-2 Thermoelectric Power Plant, the 210 megawatt No 6 generating unit was reconnected in parallel after overhaul 72 hours ahead of schedule. The unit is expected to produce an additional 12 million kilowatt-hours of electric power. (0900 GMT 20 June)

BRIEFS

ECONOMIC COOPERATION WITH DENMARK -- Sofia, June 12 (BTA) -- In the future Bulgaro-Danish economic contacts will give prominence to agriculture, the food industry, and biotechnologies. Electronics, electrical and mechanical engineering, and environment preservation and power-saving technologies are also promising fields of cooperation, reads the protocol on the 15th session of the joint Bulgaro-Danish Commission for Economic, Industrial and Technoscientific Cooperation. Progressive froms such as joint production, joint enterprises and cooperation in the markets of third countries, will be used. Bulgaria and Denmark agreed to encourage the conclusion of long-term framework contracts between interested firms and organizations for the sale and purchase of goods in spheres of mutual interest. The two sides agreed to seek practical ways to promoting and facilitating technoscientific cooperation. They reached an agreement to set up a working group with the Joint Commission of Housing Construction and Planning [Text] [Sofia BTA in Bulgarian 1359 GMT 12 Jun 87 AU]

FURTHER REPORTAGE ON CHNOUPEK'S VISIT TO SYRIA

Received by President al-Asad

LD251316 Prague Domestic Service in Slovak 1300 GMT 25 Jun 87

[Text] Syria -- Bohuslav Chnoupek, Czechoslovak minister of foreign affairs, who is paying an official friendly visit to Syria, was received in Damascus today by President Hafiz al-Asad. The two representatives discussed the present level of Czechoslovak-Syrian relations. They also discussed a broad sphere of international issues and paid special attention to the development of the situation in the Near East.

Signs Cooperation Documents

LD251720 Prague CTK in English 1523 GMT 25 Jun 87

[Text] Damascus June 25 (CTK correspondent) -- Czechoslovak Foreign Minister Bohuslav Chnoupek and his Syrian counterpart Faruq al-Shar' exchanged here today instruments of ratification to a treaty of friendship and cooperation signed in October 1985.

The treaty, signed during President Hafiz al-Asad's visit to Czechoslovakia, provides for cooperation in solving questions of international situation and for a closer coordination of Czechoslovak and Syrian steps in the sphere of foreign policy. It also creates prerequisites for expanding bilateral cooperation in all spheres and at all levels.

The two countries' foreign ministers also signed a protocol on cooperation between the Czechoslovak and Syrian foreign ministries providing for regular contacts and coordination of approaches and steps in the field of foreign policy.

Departs Damascus

LD252045 Prague CTK in English 1850 GMT 25 Jun 87

[Text] Damascus June 25 (CTK correspondent) -- Czechoslovak Foreign Minister Bohuslav Chnoupek ended his three-day official friendly visit to Syria and left Damascus for home tonight. He was been off at the airport by his Syrian counterpart Faruq al-Shar' and other representatives.

RUDE PRAVO ASSESSES ZHAO ZIYANG'S VISIT

AU240910 Prague RUDE PRAVO in Czech 16 Jun 87 p 1

[Editorial: "The Common Aim -- Peace and Socialism"]

[Text] A few days ago we were able to make another entry into the chronicle of Czechoslovak-Chinese relations: the official friendly visit by Comrade Zhao Ziyang, acting general secretary of the CPC Central Committee and chairman of the PRC State Council (government). This was the first official visit from the PRC at this high level since the founding of the PRC in 1949. This fact reflects most tellingly the current dynamic development of the relations of friendship and cooperation between the two socialist countries.

We fully identify ourselves with the words of our distinguished Chinese guest, who stressed after arriving by air in Prague that the two distant countries are firmly linked by their sincere longing for peace on our planet and by their resolve to build a developed socialist society and to make increasing use of the immense creative potential of scientific socialism in everyday practice. Peace and socialism are the cornerstones of our mutual relations.

The cordiality which accompanied the visit on both sides testified to the large step forward in Czechoslovak-Chinese relations during the last few years. This development was made possible by several factors, above all by the revolutionary traditions of these relations. The Czechoslovak Communists and all other working people followed and sympathetically supported the heroic struggle of hundreds of millions of Chinese patriots for national sovereignty, freedom and independence. After the Chiang Kai-shek reaction was crushed in 1949 and the PRC was born, we jointly planted the hopeful shoots of a comprehensive long-term Czechoslavak-Chinese cooperation.

Recently Chairman Deng of the CPC Central Advisory Commission expressed high appreciation for the work of thousands of Czechoslovak workers, engineers, and other experts who took an active part in building almost 100 industrial facilities in various parts of the PRC during the years of the Chinese First 5-Year Plan.

After the PRC's emergence, the mutually advantageous friendly cooperation between the two countries took firm root in a very short time. Today we can follow up its good traditions, all the more since the cooling off that occurred in the past has been successfully overcome by our joint efforts. The political changes that took place in the PRC after the Third CPC Central Committee Session in December 1978 (which adopted a broad program of basic economic reforms, of the restructuring and modernization of the Chinese society) were undoubtedly an incentive for developing the relations between the PRC and CSSR.

We do not conceal the fact that, side by side with an extensive concurrence of views on many issues of building socialism, as well as on international events, we also have differing approaches. In fact, a realistic look at the past and the present tells us that the road to a set identical goal need not be always completely identical. Every socialist country contributes its own specific forms to the common treasury of experience in building socialism. Moreover, the two countries can even enrich each other by the experience they have acquired. This applies, for instance, to experience gained in the course of reforming the economic mechanism, in the democratization of the life of society, or in consolidating the leading roles of our Communist Parties.

It is no coincidence that during the Czechoslovak-Chinese negotiations in Beijing (during the CSSR premier's visit there in April 1987), as well as in Prague, broad attention was devoted to mutual briefing and to a mutual study of the other side's experience. Only a deeper and thorough mutual knowledge can ensure a stable and long-term development of mutual relations and cooperation in all spheres. At the same time both sides have fully agreed that it is necessary to continue building on the principles of equality and mutual respect. A deepening of mutual relations will undoubtedly actively help us acquire better mutual study of the other side's experience. Only a deeper and thorough mutual knowledge and understanding, and further consolidate friendship between the peoples of both socialist countries.

Both sides also show interest in a more intensive economic cooperation. Last year the trade exchange amounted to 960 million Swiss francs. This is a sizable amount, but there are still opportunities for further expanding relations in this field. This is also aided by the long-term program of scientific-technical cooperation and by the long-term agreement.

The structures of our economies offer a number of opportunities for pursuing higher forms of cooperation, not only by exchanging finished goods, but also by engaging in the future in joint ventures and a broad cooperation in engineering production, in transport, in electrical engineering, and in the consumer goods and food industries. The significance of direct cooperation between production enterprises and scientific institutions is growing. Recently the first Czechoslovak-Chinese mixed enterprise was set up -- a maritime shipping company. The licensed production of our Tatra trucks in Xingtai in central China is well underway.

A few days ago the heads of the governments of our two countries signed the Agreement on the Prevention of Double Taxation, which will alleviate the development of economic, trade, and other contacts.

The CSSR and the PRC maintain concurrent or close positions on the key issues of war and peace. The CPCZ and the CPC have set themselves demanding long-term programs of restructuring and of extensive modernization, which can be realized only under the conditions of peace, in a world without wars, without superfluous exhausting armament races, and without balancing on the verge of a worldwide nuclear catastrophe.

We appreciate the fact that China has committed itself never to be the first to use nuclear weapons; that it rejects the U.S. plans for militarizing outer space; and that it upholds a realistic stance on nuclear explosions. Beijing is following very attentively the Soviet Union's efforts for nuclear disarmament on the European Continent, just as we are.

The 4-day visit by Zhao Ziyang, acting general secretary of the CPC Central Committee and chairman of the PRC State Council, and his negotiations with Comrades Gustav Husak, Lubomir Strougal, and other CSSR representatives have demonstrated the unbreakable will of our people to continue developing the good traditions of Czechoslovak-Chinese friendship and cooperation. A most realistic program was agreed on in Prague about this; it fully corresponds to the interests of the people of both countries, of world socialism, and of the policy of peaceful coexistence. Both sides spoke in favor of deepening cooperation between their parliaments, between the CSSR National Front and the Chinese People's Political Consultative Conference, between the trade union, youth union, women's, and other social organizations, and between cities and regions. They agreed to further strengthen their contacts in the political economic spheres, in culture, in the communications media, in science, technology, education, medical services, and in sports. They expressed their readiness to enrich their cooperation further. They stressed that there are good prospects for developing Czechoslovak-Chinese contacts in all spheres.

The significance of a dialogue at the highest level was also stressed, as was the contribution this dialogue can make to the all-round development of Czechoslovak-Chinese relations. Both sides spoke in favor of continuing this dialogue in the interests of achieving a stable, dynamic, and long-term cooperation.

Comrade Zhao Ziyang's visit to Czechoslovakia undoubtedly represents a significant event in Czechoslovak-Chinese mutual relations. The tree of friendship, cooperation, and mutual understanding, which was planted almost 40 years ago, could yield an even richer harvest in the near future.

BILAK ADDRESSES BRNO PEACE RALLY 21 JUN

AU241731 Prague RUDE PRAVO in Czech 22 Jun 87 pp 1, 2

["Excerpts" from a speech by Vasil Bilak, member of the Presidium and secretary of the CPCZ Central Committee, at a rally of peace and CSSR-USSR friendship in Brno-Lisen on 21 June]

[Text] The rally was addressed by Comrade Vasil Bilak.

In his speech he said, among other things: Next year it will be already a half of a century since the unforgettable Klement Gottwald, in this beautiful valley, called on the people of the Czechoslovak Republic to raise their voice against fascism, to defend the Republic against the danger of war, and for friendship and alliance with the first Land of the Soviets.

In this place the solemn oath of all participants in the rally originated: to defend the Republic, strengthen the unity of our nations, strengthen the friendship and alliance with the Soviet Union.

Today's Lisen peace celebrations are also part of our people's determination to contribute with honest, conscientious work to the cause of peace and social progress, to strengthening brotherhood among nations. They are evidence of pride in the work we have done, the expression of firm faith in the socialist present and future.

Comrade Bilak further addressed some tasks connected with realizing the conclusions of the 17th Congress. He stressed the effort of the party and society aimed at overcoming the weak spots in our life. We do not hide, he said, the fact that in many places party and state discipline has slackened, that an atmosphere of lack of criticism [nekriticnost], carelessness, and complacency has been created. Socialism - contrary to capitalism -- gives each person social certainties and, with the exception of the socialist awareness of a manager, we still have no other effective instrument for discipline. And precisely this aspect of upbringing is lacking, and from this there arises the greater part of our shortcomings and errors.

Many ranking personnel are trying to avoid resolving unpopular matters, for example demanding good quality work, strengthening discipline, not tolerating shortcomings. Sometimes we can also witness the fact that a slovenly person lives better than an honest worker [pracovnik]. This is unjust, undemocratic, and such a practice has nothing in common with socialism.

Today one speaks a lot about restructuring and the economic reform. We have arrived at a stage when these steps are inevitable. Not because the path taken to date would be wrong, but because we are more mature, because we want to advance more rapidly, because we want to live richer and more modern lives.

The West accuses us of allegedly being afraid of the very word reform. The truth is different, however. We are in favor of any reform, in favor of everything that strengthens socialism, enhances its attractiveness, and helps our people to live better. Yes, we are against false reforms, reforms that would weaken socialism, the unity between party and people, and our friendship with the Soviet Union. We are repairing Saint Vitus' cathedral, not in order to transform Gothic style into cubism, but to make the beauty of the Gothic style stand out even more.

It is important to work on restructuring, on new laws, to create conditions for better planning and management, for expanding democracy. However, it is no less important to fulfill everyday tasks arising from the 5-year plan. In the first 5 months of this year, 36 percent of enterprises did not fulfill the production plan, and the shortfall constitutes Kcs4.4 billion. A paradoxical situation frequently occurs: One person does not produce an automobile, the other a wheel, the third clothes, another one bakes poor quality bread or sews poor quality underwear, but all of them together criticize disorders and are looking for the guilty ones -- with the exception of themselves.

We must overcome considerable illusions about the possibility that socialism can be built quickly and easily, and that everything can be resolved in one go. Building socialism is a long-term program, and it requires a high degree of aware discipline. It is a program for entire generations, a process which rebuilds the entire economy, which molds a new man. Only in this way can conditions be created for our people to live happy and content lives, and for lasting peace for the future generations, too.

Comrade Bilak then addressed some international-political issues.

All our endeavors, he said, are closely connected with the questions of war and peace. Socialism and peace are the head and tail of the same coin. Without socialism there can be no lasting peace, and without peace it is impossible to build socialism. Socialism is a historical objective law. We are building socialism, but we do not foist it upon anyone. Capitalism does not want to reconcile itself to that. It systematically strives to reverse the historic development, to foist upon us its order and way of life. And this even at the price of unleashing of world war. Under the pretext of improving socialism, they are passing off their ideas as wishes, something which President Reagan recently affirmed in his speech in West Berlin, when he threatened and damned socialism, and at the same time gave advice about what the socialist countries should or should not do.

In recent years, Comrade Vasil Bilak continued, militarism, as a grouping of the most militant and most reactionary forces of imperialism, has become such a monstrous and uncontrollable force when asserting its plans for conquest that it even puts the vital interests of bourgeois society at stake. A possible war would be equally suicidal for both capitalism and socialism.

We know well that capitalism will never voluntarily renounce militarism. In order to thwart its objectives, one has to have economic and political strength -- the socialist states, above all; one has to elicit broad resistance among the social strata of the whole world.

A great deal will depend on how mankind succeeds in dealing with militarism. In essence everything will depend on it -- the fate of our generation, the future of coming generations, the prospects of preserving human civilization, and perhaps even the existence of our planet.

The nature of the most destructive modern weapons does not give a single state the chance to defend itself with military-technical means alone. In the present day nuclear-space age, the security of the individual states can be built only with political means, by negotiations, by the development of cooperation and dialogue, strengthening peaceful coexistence and, above all, by reducing the level of military confrontation. The sum of the socialist countries' proposals aimed at constructing a comprehensive system of international peace and security provides such a concept of security, the genuine path toward a world of peace and cooperation.

The present-day world, as Comrade Gorbachev said in Prague, is so interdependent that all nations are like a group of mountaineers tied onto one rope on a mountain face. They can either go up together, or fall into an abyss together.

The new thinking in international relations is beginning to meet with a favorable response in the world. This is also beginning to show in the fact that various political and social forces are increasingly demanding their share when it comes to shaping the official policy of the capitalist states. These multifaceted social forces, regardless of their ideological or political convictions, are active proponents of averting war, of a civilized and mutually useful development of international relations on the principles of peaceful coexistence.

The concepts of the USSR and its allies are clear in this respect. Their main objective is averting nuclear war, reducing the level of military confrontation, developing international relations in the spirit of peaceful coexistence, cooperation, and detente.

The Soviet Union -- by its realistic proposals which, to a maximal extent, are also taking into consideration the interests of the United States and other interested parties, and by its patient and constructive approach in negotiations -- shows that the notion of nuclear disarmament and the ways and prospects of resolving this issue are beginning to acquire concrete form.

The most urgent and, at the same time, the most future-oriented task is the conclusion of an agreement on the elimination of U.S. and Soviet medium-range missiles in Europe, a matter which should be the first step in the process of ridding our continent of nuclear weapons. We are glad that certain positive steps can be registered in that respect, but one will still have to overcome more than one obstacle which the opponents of disarmament continue to put in the way. Even though NATO expressed its consent to the eliminiation of medium-range missiles, we still come across various conditions which make the solution of this issue preposterously difficult.

At the recent session of the Political Consultative Committee in Berlin, the leading representatives of the Warsaw Pact member-states appealed with renewed urgency to all states for a joint effort toward halting the arms race, averting a nuclear catastrophe, and ensuring lasting peace.

One of the main results of the Berlin session is the proclamation of the military doctrine of the Warsaw Pact member-states. This is a historically significant document, which affirms that the military doctrine of the socialist allied states has none other than a defensive character, and that it proceeds from the necessity to preserve the equilibrium of military potentials on a level adequate to the needs of defense.

Czechoslovakia is located in the geographical center of Europe. We are very sensitive about the atmosphere which prevails on the old continent. The happy, as well as tragic, fates of European civilizations have always affected us to the full extent. Therefore, it is in our vital interest that an atmpsphere of goodneighborliness, trust and cooperation among all states, regardless of their social system, prevail in this part of the world.

In World War II the nations of Europe made far too many sacrifices to cast doubt on the postwar arrangement and resolve ideological conflicts by war. In the current nuclear age, humankind's duty to avert a nuclear catstrophe must dominate the social endeavor of all governments of the European states.

Our idea of a common European home, in the construction of which every state should make as dignified a contribution as possible, is not at all helped by the various speeches resounding behind the western border of our state; on the contrary, they are poisoning the atmosphere of good-neighborly relations. In particular I mean the phenomena of revanchism, which so ominously resounded at the recent rally of the so-called Sudeten Germans in Nuremberg. We must also be alarmed by the fact that FRG Government officials lend themselves to defending revanchist claims, and this does not serve good-neighborly relations well.

The socialist states' proposals create good conditions for building the European home on solid foundations of understanding and cooperation, and not on arsenals of various weapons. We want peace and clear skies overhead.

HUSAK, STROUGAL CONGRATULATE HUNGARIAN APPOINTEES

LD252053 Prague CTK in English 1746 GMT 25 Jun 87

[Text] Prague June 25 (CTK) -- Czechoslovak President Gustav Husak sent a congratulatory telegram to Karoly Nemeth on the occasion of his election to the post of Hungarian president.

Czechoslovak Premier Lubomir Strougal congratulated Karoly Grosz on his appointment to the post of chairman of the Hungarian Council of Ministers.

PLANNING COMMISSION DEBATES 1988 DRAFT PLAN

LD241834 Prague CTK in English 1551 GMT 24 Jun 87

[Text] Prague June 24 (CTK) -- Czechoslovakia's gross national income is to increase by at least 3.5 per cent next year over the 1987 planned level, under the state plan for 1988. The draft of the document, based on the 1986-1990 five-year plan, was debated by the State Planning Commission at its plenary session today. It provides for a rise in personal consumption while introducing stricter controls of the planned increases in earnings to be in harmony with the principles of work performance.

In harmony with the conclusions of a Czechoslovak Communist Party Central Committee session last March, it is proposed to reduce the volume of projects planned to be started in 1988 by 20,000 million crowns in costs as against original intentions. Emphasis is being put on economy in all branches.

The Planning Commission noted that intensification of the economy is not accelerating as necessary. The comprehensive experiement with greater independence and responsibility of economic organizations for effective development must be extended and more organizations must be prepared to become involved in the experiment from next January 1. At the same time it is necessary to exert maximum effort for the implementation, and in desirable spheres even surpassing, of planned tasks this year, the commission said.

KESSLER, DELEGATION CONTINUE AUSTRIAN VISIT

Discusses Arms With Lichal

LD250122 East Berlin Voice of GDR Domestic Service in German 2040 GMT 24 Jun 87

[Excerpts] A GDR military delegation led by Army General Heinz Kessler, defense minister and SED Central Committee Politburo member, is currently in the Republic of Austria on a 5-day visit at the invitation of Austrian Defense Minister Dr Robert Lichal. Here is Gerd Schmiedel reporting on today's events:

[Schmiedel] To look back at this day means reviewing an abundance of meetings and conversations that the GDR military delegation had today. [passage omitted]

Accompanied by Austrian Defense Minister Dr Robert Lichal, the GDR defense minister bowed at the monument that commemorates the fallen Austrian soldiers and simultaneously represents a warning to the present generation: Never again war.

This thought also dominated the official talks, which began yesterday and were continued this afternoon. General Othmar Tauschitz, inspector general of the Army, spoke afterward not only of an open [aufgeschlossen] atmosphere but also of a trusting dialogue. This resulted from both sides' knowledge of the dangers of a nuclear inferno. He said: We should therefore have the greatest interest in the world for reducing or completely losing an aggressive weapons policy.

Army Gen Heinz Kessler, GDR defense minister, made clear that pursuit of the competition between the different social systems must exclude a military dispute. This is a goal that has always been sought by socialism and will remain so. It is in accord with the vital interests of all people and the interests of their survival: to banish war from the life of mankind, to end the arms race, to strengthen peace and security and, finally, to bring about general and complete disarmament. Army Gen Kessler emphatically rejected a first use of nuclear weapons.

There have been, and still are, common features in the views of the two sides here. Asked for his opinion on the Soviet proposals for the elimination of medium-range nuclear missiles in Europe, Defense Minister Dr Robert Lichal said:

[Begin Lichal recording] If one can reduce the danger of a nuclear or [words indistinct] threat and an agreement comes about between those states that possess such potential, then I can only welcome it. There is no doubt at all about that. [end recording]

[Schmiedel] That was the Austrian minister of national defense, who, in addition, described cooperation between the two countries as sensible and free of problems. He expressed the conviction that the current visit by the GDR military delegation also benefits (?these good and deep) relations. [passage omitted]

Meets Army Inspector General

LD242041 East Berlin ADN International Service in German 1534 GMT 24 Jun 87

[Text] Vienna, 24 Jun (ADN) -- The GDR military delegation led by Army General Heinz Kessler, minister of national defense and member of the SED Central Committee Politburo, which is paying an official visit to Austria, was received today at the Federal Defense Ministry by General Othmar Tauschitz, inspector general of the Federal Army. Gen Tauschitz briefed the guests on staff work in the Austrian Federal Army and in national defense. The partners in the talks honored the favorable development of relations between the GDR and Austria in the military sphere, too.

In the crypt of the Burgtor in Vienna's Heldenplatz, which is the memorial to the unknown soldier, Army Gen Heinz Kessler, accompanied by Federal Minister Dr Lichal, members of the delegation, and GDR Ambassador to Austria Klaus Wolf, laid a wreath. During the ceremony a guard of honor of the Austrian Federal Army paraded before the GDR military delegation.

This morning the delegation visited the air division of the Federal Army in lower Austria. Divisional Commander Othmar Pabisch explained to the guests the division's tasks for safeguarding the air sovereignty of neutral Austria and also aspects of the training of the members of the division and the military equipment. The delegation saw an exhibition of the flying skills and the high standard of military training of the officers and men.

EHRENSPERGER, PRC'S ZHAO VIEW REFORM 10 JUN

AU181318 East Berlin NEUES DEUTSCHLAND in German 11 Jun 87 p 4

[Text] Berlin (ADN) -- Within the framework of the official friendship visit by Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of the PRC State Council, Guenter Ehrensperger, Central Committee member and head of the SED Central Committee Department for Planning and Finance, received Wen Jiabao, head of the CPC Central Committee bureau, and An Zhiwen, candidate member of the CPC Central Committee and adviser to the State Commission for Reforms of the Economic System, for friendly talks on Wednesday [10 June].

Guenter Ehrensperger explained to the Chinese guests the experiences and results obtained in implementing the decisions of the 11th SED Congress in management, planning, and economic accountability. He stressed that central state planning and balancing; the modern management system set up, with the combines as the backbone of socialist planned economy; the economic units' national economic responsibility for the fulfillment of the plan tasks, firmly linked with economic accountability and the self-financing of means; as well as the broad democratic collaboration of the working people in overall social development have proved their worth as fundamental components of management, planning, and economic cost accounting in the GDR. A vivid, constructive exchange of experiences related to the management and planning of the national economy took place during the talks.

PEOPLE'S CHAMBER PRESIDENT OPENS FOURTH SESSION

LD260832 East Berlin ADN International Service in German 0809 GMT 26 Jun 87

[Text] Berlin, 26 Jun (ADN) -- The GDR People's Chamber convened this morning for its fourth session at the Palace of the Republic in Berlin. It was opened by Horst Sindermann, People's Chamber president and member of the SED Central Committee Politburo, at 1000.

The deputies of the highest people's representation will discuss and adopt the budget account for 1986. The agenda also includes the bills for judicial assistance between the GDR and France and between the GDR and Ghana, and for consular treaties between the GDR and Nigeria and between the GDR and Bolivia.

HONECKER WRITES MUSICIAN ON LEATHER JACKET, SHAWM

LD251401 East Berlin ADN International Service in German 0529 GMT 25 Jun 87

[Text] Berlin, 25 Jun (ADN) — Under the heading "The Jacket Fits. Have Fun Practicing," today's JUNGE WELT publishes a letter from Erich Honecker to FRG rock musician Udo Lindenberg. Referring to a leather jacket Lindenberg sent him, the general secretary of the SED Central Committee and chairman of the Council of State writes: "If I understand it correctly it is a symbol of rock music for a meaningful life of young people without war and the danger of war, without poor educational opportunities and unemployment, without anticommunism, neofascism, and xenophobia. And if I do misunderstand your artistic intentions then they are strongly aimed against forests of missiles and SDI, and are a plea for a nuclear-free year 2000, for a coalition of reason, and the realization that never again war, but only peace, must emanate from German soil. We, too, are of this opinion, and GDR rock musicians in their action, 'Rock for Peace,' and in many performances here and throughout the world share this political and artistic view."

Erich Honecker notes that in the GDR there are 110 professional rock bands and over 2,000 amateur rock groups. Week in, week out, they play to millions of fans. "In addition to these performances there are numerous guest performances by foreign groups. In view of these facts, how can one not say without hesitation: Yes, the jacket fits. So once again it turns out that reports about the GDR by Western media are one thing, and the reality in our country is another."

Erich Honecker writes that he will give the leather jacket sent to him to the FDJ Central Council. "Our friends will undoubtedly find a way to get it to a rock fan, perhaps even at a solidarity auction for anti-imperialist solidarity. I'm sure this will meet with your approval."

The letter ends by saying: "By the way, as you occasionally refer to my musical past, I am sending you a shawm. Have fun practicing."

FURTHER REPORTAGE ON LEADERSHIP CHANGES

Havasi Replaces Grosz

LD251817 Budapest Television Service in Hungarian 1730 GMT 25 Jun 87

[Text] The Budapest Party Committee held a meeting today. The body made decisions on personnel matters. Karoly Grosz, member of the MSZMP Politburo, first secretary of the party committee, has been relieved of his post, with recognition of his merits. Ferenc Havasi, member of the MSZMP Politburo, was elected as first secretary of the Budapest Party Committee.

Work Committee Changes

LD251440 Budapest MTI in English 1407 GMT 25 Jun 87

[Text] Budapest, June 25 (MTI) -- At its last session, the Central Committee relieved Ferenc Havasi of his function as president of the Economic Policy Committee, the economic partnership, and the Cooperative Policy Partnership.

Karoly Nemeth from his function as president of the Cadre Policy Committee, the party building partnership, and the youth committee, furthermore from the leadership of the working committee delegated by the Central Committee dealing with issues of the party's leading role. [sentence as received]

The Central Committee appointed:

Miklos Nemeth president of the Economic Policy Committee affiliated to the Central Committee, and of the economic partnership,

Istvan Szabo president of the Cooperative Policy Partnership,

Gyorgy Lazar president of the Cadre Policy Committee, and commissioned him to lead the working committee delegated by the Central Committee to deal with issues of the party's leading role,

Janos Lukacs president of the Party Building Partnership, and of the Youth Committee,

Gyula Bereczky, president of Hungarian Television, to member of the Agitation and Propaganda Committee operating alongside the Central Committee.

Leaders' Biographical Notes

LD251748 Budapest MTI in English 1614 GMT 25 Jun 87

[Text] Budapest, June 25 (MTI) -- In the following we carry the biographical notes of the new Hungarian Party and state officials.

Karoly Nemeth.

Karoly Nemeth was born in Paka, Zala county, in 1922, in a worker's family. Originally he was a skilled worker in the meat industry. He is a graduate from the party college. He has been a member of the party since 1945.

Following the liberation he was independent secretary of the Hungarian Communist Party, then department head of the party's Zala county committee from 1947. In 1954 he was elected first secretary of the party's Csongrad county committee. From 1960 he headed the Agricultural Department of the HSWP Central Committee, then became the secretary of the Central Committee. Between 1965 and 1974 he was first secretary of the HSWP Budapest committee. From 1974 to 1985 he worked as secretary of the HSWP Central Committee, and was elected deputy general secretary of the party in 1985.

He has been a member of the HSWP CC since 1957. He was alternate member of the Political Committee from 1966, and member since 1970. Karoly Nemeth has been a National Assembly deputy since 1958, and has been a member of the Presidential Council since 1967.

Karoly Grosz

Karoly Grosz was born in Miskolc in 1930 in a worker's family. His original occupation is printer. He graduated from the Lorand Eotvos University, and the Party College. He has been a member of the party since 1945.

From 1950 he worked in the Central Apparatus of the party, then served as commissioned officer. From 1954 he headed the agitation and propaganda department of the Borsod-Abauj-Zemplen county party committee. From 1958 to 1961 he was responsible editor of the dadily "ESZAK MACYARORSZAG" (NORTHERN HUNGARY), then was political staff member of the HSWP CC. From 1962 to 1968 he was secretary of the party committee of the Hungarian radio and televison. From 1968 he was deputy department head of the HSWP CC. In 1973 he was elected first secretary of the Fejer County party committee.

From 1974 to 1979 he headed the Agitation and Propaganda Department of the CC, then was first secretary of the Borsod-Abauj-Zemplen county committee of the HSWP. He was first secretary of the party's Budapest committee since 1984. He has been a member of the HSWP CC since 1980, of the Political Committee since 1985.

Gyorgy Lazar

Gyorgy Lazar was born at Isaszeg, Pest County, in 1924, in a worker's family. He gradauted from the state higher trade school. He has been a member of the party since 1945.

For more than two decades, from 1948 to 1970, he worked with the National Planning Office in various posts, as clerk, deputy chief of department, then head of department. He was appointed vice-president of the National Planning Office in 1958. He became minister of labour in 1970. In 1973 he was elected deputy chairman of the government, then president of the National Planning Office, and led the work of the State Planning Committee. He has been the chairman of the Council of Ministers since 1975.

Gyorgy Lazar has been a member of the HSWP Central Committee since 1970, and of the political committee since 1975. He is a deputy of the National Assembly.

Janos Berecz

Janos Berecz was born at Ibrany in 1930, in a peasant family. He graduated from the Lenin Institute, then from the social sciences academy of the CPSU Central Committee. He is a candidate in historical studies. He has been a member of the party since 1951.

From 1955 he fulfilled various posts in the Democratic Youth Federation and the Communist Youth Union of Hungary. In 1966 he was elected secretary of the Party Committee of the Foreign Ministry. He was deputy head of the Foreign Affairs Department of the HSWP Central Committee from 1972, and head of the department from 1974. From 1982 he was editor-in-chief of "NEPSZABADSAG." He was elected secretary of the Central Committee in 1985.

He has been a member of the party's Central Committee since 1980. He is a deputy of the National Assembly.

Judit Csehak

Judit Csehak was born in a workers' family in Szekszard in 1940. Graduated from the Budapest Medical University in 1964. Member of the HSWP since 1967. [sentences as received]

From 1964 she worked as a panel doctor and from 1973 as chief medical officer of the Szekszard town council. In 1975 she was elected secretary of the central leadership of the Hungarian Union of Medical and Health Workers, and in 1978 secretary of the Central Council of Trade Unions.

Since 1984 she has been deputy chairwoman of the Council of Ministers. In 1985 she was elected member of the Central Committee of the Hungarian Socialist Workers' Party.

Gyorgy Fejti

Gyorgy Fejti was born in a workers' family in Satoraljaujhely in 1946. Graduated from the Budapest Technical University. Member of the HSWP since 1968.

From 1969 he worked as an assistant lecturer at the Budapest Polytechnical University, and from 1972 held various posts in the staff of the Communist Youth Union (KISZ) Central Committee. From 1976 to 1979 he was secretary of the KISZ CC. In 1979 he was appointed deputy head of department at the HSWP CC. In 1980 he was elected first secretary of the KISZ CC, and in 1985 first secretary of the Borsod-Abauj-Zemplen county committee of the party. He has been member of the HSWP Central Committee since 1980.

Janos Lukacs

Janos Lukacs was born in a workers' family at Erzsebet in 1935. His original occupation is bricklayer. Graduated from the HSWP Political High School. Member of the party since 1953.

From 1954 he held various leading posts in the youth movement. In 1964 he was elected first secretary of the Baranya county committee of the Communist Youth Union (KISZ). From 1972 he was secretary and then first secretary of the Pecs committee of the HSWP. In 1980 he was elected first secretary of the Baranya county committee of the HSWP. He has been member of the HSWP Central Committee since 1985.

Miklos Nemeth

Miklos Nemeth was born in a peasant family at Monok in 1948. Graduated from the Karl Marx University of economics. Member of the HSWP since 1968.

From 1971 he was a lecturer at the Karl Marx University of economics. From 1977 he was deputy head of department at the National Planning Office, and from 1981 staff member and then deputy head of the Economic Policy Department at the HSWP Central Committee. In January 1987 the Central Committee appointed him to become head of the Economic Policy Department. In June 1987 he was elected member of the Central Committee.

Istvan Horvath

Istvan Horvath was born in a workers' family at Paks in 1935. He is a law graduate from the Lorand Eotvos University in Budapest. Member of the HSWP since 1956. From 1957 junior civil servant at the county court in Kecskemet, then presiding judge at the district court. From 1959 staff member, head of department, and then secretary of the HSWP Bacs-Kiskun county committee. In 1970 he was elected first secretary of the KISZ CC. From 1973 he was first secretary of the Bacs-Kiskun county committee of the HSWP, and from 1980 minister of the interior. In 1985 he was elected secretary of the HSWP Central Committee. Member of the HSWP Central Committee since 1970.

Leadership Reshuffle Analyzed

LD252121 Budapest in English to Europe 2000 GMT 25 Jun 87

[Text] Changes in party and government leadership have been announced in Hungary. For International Newsroom, the commentary by Andras Hajdu, is read by Judy Nagy.

While continuous rejuvenation of leadership must be normal political procedure in every country, changes in the top posts are quite obviously also reflections of some of the deeper processes. For instance, the appointment of 57-year-old Karoly Grosz, a strong, decisive personality, as the head of the government, indicates that this leadership will be faced with the need to mobilize people to serve difficult and not always popular tasks.

An economic plan, with the double objective of restoring the external and internal stability of the economy, while carrying through a process of modernization, is to be submitted soon to the Central Committee and then probably in the autumn to the government and parliament. At the same time, the need to transform the system of political institutions, as an indispensable precondition to the continuation of the economic reform, is being mentioned with increasing frequency. And an important element of that transformation is to increase the role and responsibility of the government.

Most of the personnel changes affect the economy, continuing as it were, the trend of including a growing number of young specialists in leadership work. The process began some 6 months ago, with the appointment of Deputy Prime Minister Laszlo Marothy, who is also a member of the party's Political Committee, at the age of 45, to the head of the National Planning Office.

Frigyes Berecz, the general manager of a successful telecommunications instrument firm, also became deputy prime minister at the age of 54, at the same time when 45-year-old Peter Medgyessy was appointed finance minister. And this week, 39-year-old Miklos Nemeth, an economist, was appointed Central Committee secretary responsible for the economy.

Of course, it is possible to analyze the changes from many points of view. One of these is perhaps somewhat subjective; namely that the facelessness which has tended to characterize some of our politicians in the past, seems to be disappearing.

Mr Karoly Grosz, the new prime minister, and Mr Janos Berecz, now elected into the Political Committee, are both known as professional politicians with well-defined and always well-argued personal views. For instance, a few weeks ago, a television program was widely discussed, in which Karoly Grosz argued in a calm, understandable, and yet very firm manner in favor of strict economic measures that he said could no longer be postponed. Outlining his position, he also invited discussion and criticism.

57-year-old Janos Berecz, the Central Committee secretary responsible for culture and the media, is known first of all as a historian to millions of television viewers. He edited a documentary series of the events in Hungary in 1956. Earlier, as leader of the party's International Department, Mr Berecz was one of the initiators of good relations with the West European Social Democratic parties.

Judit Csehak, a women of wit and elegance, is equally well known to the public. She is intelligent, clear-sighted, calls a spade a spade, and brings to both party and state leadership the attractive personality that made her such a popular district doctor. As doctor, trade union leader, then deputy prime minister, and now a member of the Political Committee, she has always fought to improve social policy, and do as much as she can for social care.

NATIONAL ASSEMBLY SESSION CONTINUES DELIBERATIONS

MTI Reports Session Agenda

LD251403 Budapest MTI in English 1158 GMT 25 Jun 87

[Text] Budapest, June 25 (MTI) -- Following the closed session dealing with the personnel issues, the Hungarian National Assembly paid silent standing tribute to the memory of Lutheran Bishop Dr Zoltan Kaldy. The merits of the late representative were entered in the minutes of the National Assembly.

The representatives then decided on the agenda of the session:

1. The bill on the implementation of the 1986 state budget of the Hungarian People's Republic,

2. The bills on amending the criminal code and the criminal proceedings law,

3. The report of the president of the National Authority for Environmental Protection and Nature Conservation (OKTH) on the results attained in environmental protection and nature conservation in the 6th Five-Year Plan, and tasks of the 7th Five-Year Plan, and the work of the OKTH.

In the following, in accordance with the approved agenda, Peter Medgyessy took the floor.

Approves 1986 Budget Bill

LD251713 Budapest MTI in English 1419 GMT 25 Jun 87

[Excerpt] Budapest, June 25 (MTI) -- Six representatives addressed the debate on the bill implementation of the 1986 budget of the Hungarian People's Republic.

In the following Peter Medgyessy replied to the observations and proposals made by the contributors. The National Assembly approved the bill with five votes against, and 14 abstentions.

Following the vote, Minister of Justice Imre Markoja took the floor to deliver his report. [passage omitted]

Criminal Code Amendments

LD251659 Budapest MTI in English 1459 GMT 25 Jun 87

[Text] Budapest, June 25 (MTI) -- On Thursday, the first day of the summer session of the Hungarian National Assembly, Minister or Justice Dr Imre Markoja submitted the bill on the amendment of the Criminal Code, and of crimial proceedings. The bill takes into consideration the requirements posed by the new social and economic phenomena. The most important changes are: The introduction of a new distraint form of reformatory and educative labour, community service work, the possibility of compulsory hospitalization of narcotics, and the stricter evalution of crimes against the purity of public life.

Under the amendment, those condemned to reformatory and educative labour have to carry out community service work one day a week, on the weekly day of rest or the day off, without remuneration. Under the new regulations, the forced hospitalization that has so far been applied only to alcoholics will now be extended to drug abusers.

Experiences of the past years indicate that the number of crimes against the purity of economic life has increased. Therefore the new Criminal Code will more strictly judge the corrupt actions committed in economic life.

The new criminal proceeding determines in a more simple way the conditions for ordering preliminary detention, determines the investigation deadlines, and makes it possible for foreign citizens called to account in Hungary in criminal proceedings to set bail for the duration of the proceedings.

Parliament Approves Amendments

LD251909 Budapest MTI in English 1639 GMT 25 Jun 87

[Text] Budapest, June 25 (MTI) -- Three members of Parliament have contributed to the debate over the bill on the amendments to the criminal code and the law on criminal proceedings. After Dr Imre Markoja had answered their questions and proposals, Parliament approved the bill on the amendments to the criminal code and the law on criminal proceedings together with the modifications approved, both in general and in detail, with 12 votes against and 32 abstentions.

Then, according to the agenda approved, State Secretary Kalman Abraham, president of the National Authority for Environmental Protection and Nature Conservation, reported on environmental protection in Hungary in the period 1981-6 and on tasks in the 1986-90 period.

Abraham Reports on Environment

LD252110 Budapest MTI in English 1822 GMT 25 Jun 87

[Text] Budapest, June 25 (MTI) -- State Secretary Kalman Abraham, president of the National Authority for Enviromental Protection and Nature Conservation, reported on the first day of the summer session of parliament, on Thursday: It is a resolute intention of the party and the government to meet the demands for improving the conditions of the environment gradually, through coordinated action. Investment projects should be preceded by careful preparations. Projects, like the exploitation of mineral resources in the Transdanubian Hills, construction of the Gabcikovo-Nagymaros water barrage system and the use of Lake Balaton for touristic purposes required comprehensive scentific and professional preparations. The population should be duly informed of the purposes of investment projects and the expected impacts of measures.

Although environmental protection has shown an improvement over the past five years, the deterioration of environment has not been halted, only slowed down.

Kalman Abraham said that in the 6th Five-Year Plan period (1981-6) direct expenditures on environmental protection amounted to 32,000 million forints, 75 per cent of which were spent on the protection of the quality of water and soil.

In the 7th Five-Year Plan period (1986-90) 47,000 million forints have been allocated to environmental protection. 5,000 million forints are spent on combatting air pollution, 2,500 million on constructing water sewage plants in eight cities, and over 2,000 million on constructing an incinerator for hazardous wastes near Dorog, and a waste deposit site at Aszod.

In order to improve coordination between economy and environmental protection, the impacts of investment projects on the environment should always be explored and, on this basis, environmental protection strengthened consistently. The industrial background to environmental protection should be consolidated.

Responsibilities related to environmental protection are more divided than they should be. Work could be more successfully done, if coordination between governmental organs were strengthened, interests reconciled as effectively as possible and operating the organizations in environment protection be better adjusted to the requirements.

The aspects of environmental protection should be taken into account in restructuring production and in the policy to maintain the standard of living. In the course of implementing the programme of economic unfolding, the aspects of environmental protection should play an adequate role in the decisions of economic organizations.

SARLOS TO ATTEND JULY PACT PARLIAMENTARY MEET

LD252110 Budapest MTI in English 1834 GMT 25 Jun 87

[Text] Budapest, June 25 (MTI) -- According to a preliminary agreement, the speakers of parliaments of the Warsaw Treaty member-states are to meet in Poland [as received], capital of the Polish People's Republic, early July. The Hungarian People's Republic is to be represented by Istvan Sarlos, speaker of Parliament.

SHEVARDNADZE VISIT CONTRIBUTES TO 'SINCERE' EXCHANGE

AU241011 Budapest MAGYAR HIRLAP in Hungarian 20 Jun 87 p 1

[Editorial: "On Common Road"]

[Text] The domestic policy events of the big powers are automatically world political events. This is rarely more so in peacetime than in the case of the Soviet Union today, more precisely ever since the spring of 1985. The outside world is analyzing the radical reform that is underway in the domestic life of the Soviet Union and is trying to understand it. The outside world is also aware that the new elements observed in economic life, the system of institutions, and the view of mass media information all have an effect on the formulation of foreign policy goals and tasks.

Although, along with the domestic changes, there have been genuine changes in concepts and methods in Soviet foreign policy, the development of the historically-developed system of relations with the allied socialist countries continues to be an element of key importance of Soviet foreign policy, and the special attention directed toward the whole European continent is also unchanged. The importance of the former is increased by the reform process underway in other socialist countries too, Hungary among them. The importance of the latter is shown by the improvement experienced for some time in the European situation, an improvement that continues to be hoped for, as well as the traditionally large role our continent has played in world affairs and its lasting commitment to the achievements of detente. It logically follows that, beyond demonstrating interest in Hungary, Eduard Shevardnadze's current visit contributed to a sincere and objective exchange of views within the framework of a system of cooperation that covers all spheres of activity. As in other areas of life, close interaction recognized and accepted by both sides, mutual goals, national interests, and continuous coordination of methods is a fact in foreign policy too. In this spirit, and as he himself pointed out at his press conference, "considerable political results were achieved" at the talks held by the Soviet foreign minister in Budapest.

Speaking about bilateral relations, our foreign minister clearly stressed the following: The social restructuring underway in the Soviet Union contributes to the development of cooperation between our two countries and the modernization of our economic relations. In analyzing the international situation, the two countries' consistent peace policy was confirmed at the talks between Eduard Shevardnadze and Peter Varkonyi, as well as at the higher-level meetings too. In order to assert this policy in practice both sides are ready -- both individually and within the framework of the Warsaw Pact -- to take further initiatives and foster and develop existing East-West relations, always proceeding from the recognition that mutual and adequate security in international relations should be guaranteed primarily by political means and by a lower level of military confrontation.

Shevardnadze displayed careful optimism in speaking about the chances for a new Soviet-U.S. summit in the fall and the chances of a double-zero option concerning the Euromissiles. He mentioned the outstanding problems which, unfortunately, are not only technical ones, and confirmed his country's sincere efforts to reach such an agreement. The remarks concerning these issues, of course go beyond the framework of the fruitful Soviet-Hungarian foreign political cooperation.

CSCE DELEGATION MEETS NATO PARLIAMENTARIANS

LD252231 Warsaw PAP in English 2140 GMT 25 Jun 87

[By PAP correspondent Franciszek Malinowski]

[Text] Vienna, June 25 -- A Polish delegation to the CSCE Vienna meeting and a group of parliamentarians from the NATO states, members of the North Atlantic grouping, met for a talk at the Austria Center here at the grouping's initiative.

Chairman of the Polish delegation, Ambassador Slawomir Dabrowa presented Poland's stand on key problems concerning security and cooperation in Europe in the context of the Polish proposals forwarded at the Vienna CSCE meeting. The Polish delegation told the members of the North Atlantic grouping about the motives and assumptions of the Jaruzelski plan and about the idea of convening in Warsaw a meeting of chairmen of parliaments of the CSCE states to mark the 50th anniversary of the outbreak of the 2nd World War.

Members of the grouping were also interested in state-church relations and the political situation in Poland.

MALINOWSKI, SEJM DELEGATES CONTINUE FRG VISIT

TRYBUNA LUDU Reports Arrival

AU251944 Warsaw TRYBUNA LUDU in Polish 23 Jun 87 p 6

[Report by PAP Bonn correspondent Eugeniusz Guz: "The PPR Sejm Delegation With Roman Malinowski Has Commenced A Visit in the FRG"]

[Text] On Monday [22 June] at Cologne-Bonn airport, Dr Philipp Jenninger, president of the West German Parliament, welcomed the PPR Sejm delegation headed by Marshal Roman Malinowski, which arrived on an official visit on the invitation of the Bundestag president.

The delegation, consisting of Deputies Roman Pillardy (PZPR), Witold Hensel (nonparty), Mieczyslaw Szostek (nonparty), and Witold Leyk (nonparty), will spend 1 week in the FRG and, apart from holding numerous talks in Bonn, will also visit Baden-Wuerttemberg and North Rhine-Westphalia.

This is the first visit to the FRG by a Sejm delegation at such a high level and the second such visit to any capitalist country after Marshal Malinowski's recent U.S. trip. Until now, the only parliamentary contacts between Poland and the FRG have been those between the PZPR and SD Deputies' Clubs on the Polish side, and the SPD and FDP Deputies' Clubs on the West German side. The present visit is taking place 15 years after the establishment of diplomatic relations between the two states.

On the first day there were political meetings. First, in the Tapestry Hall of the Bundestag, the Polish guest talked to President Jenninger, who expressed satisfaction that the visit had come about. [paragraph continues]

Both interlocutors agreed that mutual parliamentary contacts play an important role in dialogue and have a favorable effect on the general climate in Europe. They may and should supplement and inspire appropriate action by both governments. The two men also discussed bilateral relations, saying that the basis thereof is the treaty signed in Warsaw in 1970. Malinowski observed that everything that disturbs these relations is viewed with concern in Poland. He also gave Jenninger details of the Polish disarmament initiative contained in the Jaruzelski plan and about Poland's proposal for a meeting of heads of parliament from the CSCE Final Act signatory countries. Malinowski invited Dr Jenninger to visit Poland. The invitation was received with satisfaction.

Next, Malinowski and his entourage were received by FRG President Richard von Weizsaecker. The president, who asked to convey greetings to Jaruzelski, stressed the need to build confidence between East and West. Malinowski gave "Sejm Commemorative Medals" to the FRG president and Bundestag president.

The first day of the Sejm delegation's visit ended with a meeting with Foreign Minister Hans-Dietrich Genscher. A review was made out of the international situation, disarmament, and CSCE topics with a view to finding possibilities for East-West rapprochement.

'Unusually Sincere' Kohl Talks

LD260902 Warsaw PAP in English 0040 GMT 26 Jun 87

[By PAP correspondent Eugeniusz Guz]

[Text] Bonn, June 25 -- A meeting of Polish parliamentary delegation, headed by Sejm Speaker Roman Malinowski, with FRG Chancellor Helmut Kohl was the highlight of another day of an official visit to the FRG by the delegation.

The meeting lasted twice as long as envisaged in the protocol. While assessing the course of the meeting, the Sejm speaker said that the talk had been "unusually sincere and good."

"I think that the meeting will well serve the further development of Polish-FRG relations," he said.

The fourth day of the visit by the Polish delegation started with a meeting with Chairman of the Foreign Committee in the Bundestag Hans Stercken. Stercken assumed a positive attitude towards the initiative of convening a meeting of parliamentary speakers from countries signatories to the CSCE intended by the Polish Sejm.

During the meeting Wolfgang Mischnick acknowledged that the current visit of Polish guests initiated a new stage in parliamentary cooperation.

After talks with the delegation of the Polish Parliament, a group of deputies of the Greens Party issued a communique in which it described the talks as "open, interesting and friendly" and said that "representatives of the Greens Party agreed with the Polish delegation as to the fact that peaceful Europe is attainable only through the policy of reconciliation and detente which will give a firm rebuff to revisionist tendencies."

At a meeting with the First Deputy Chairman of the CDU/CSU Parliamentary Floor Group Theodor Waigel, the sides agreed in their opinion that the total balance of bilateral relations is not bad. Waigel pointed out that the margin of unused opportunities for economic cooperation is still big.

The Sejm speaker who granted several interviews to mass media, also met with a group of FRG journalists. Asked about the further line of development of mutual relations, Malinowski said that for Poland the progress of economic relations is of basic significance.

Answering a question whether the talks touched on the problem of individual reparations for victims of Nazi dictatorship, the head of the Polish delegation said that the problem of reparations bears a great moral and historical relevance for Poland. However seeking solution to the problem on the mass media is not the best idea, Malinowski said.

Hold Parliamentary Talks

LD250844 Warsaw PAP in English 0033 GMT 25 Jun 87

[Text] Bonn, June 24 -- The foundation of a parliamentary group in the Bonn Parliament which will focus on Polish-FRG relations was today's highlight of the official visit of the Polish Sejm (Parliament) delegation, headed by Speaker Roman Malinowski, that has been staying in the FRG since Monday.

Leading activist of the SPD Hans Koschnik became chairman of the group and Peter Kittlemann of the CDU-CSU his deputy.

Koschnik expressed a conviction that the foundation of the intra-floor group signified a higher form of cooperation between both parliaments. This will contribute to the deeper understanding of Polish issues in mutual relations. The parliamentary group will seek contacts with Polish representatives to "speak about your and our concerns."

In the morning Malinowski and accompanying deputies were received by Chairman of the Economic Commission of the Bundestag Hermann J. Unland who expressed interest, on behalf of the economic circles, in the Polish law on joint ventures.

During a meeting with Hans Joachim Vogel of the SPD the latter unequivocally stressed the stance of the SPD on the issue of borders and the will to continue cooperation on the basis of the treaty of 1970. Vogel announced that his second foreign visit as chairman of the SPD would be one to Poland still this year.

During the reception which Chairman of the Bundestag Philipp Jenninger gave in honour of the Polish guest both chairmen of parliaments exchanged toasts. Jenninger stated that the FRG wishes to be a confidence stirring partner in dialogue and cooperation for all its neighbours. The treaty on the bases of normalizing relations of 1970 unchangingly is the foundation of our relations, he continued.

Referring to the assessment of the international situation, Jenninger expressed a view that the central geographical position of both countries in Europe caused that their "good mutual relations have big importance for peace and security in Europe." [sentence as received]

In reply Malinowski expressed a conviction that thanks to the formation of the parliamentary group for Polish affairs at the Bundestag new valuable initiatives directed at developing bilateral relations on the basis of the treaty of 1970 would surface.

Our goal is to achieve full normalization of relations with the FRG, Malinowski said. The fulfilment of this task calls for the removal of the still existing barriers in our relations, the consistent putting into political and legal practice of the decisions of the treaty as well as regulating the still existing open issues, he stated.

COLOMBIAN FOREIGN MINISTER DEPARTS 24 JUN

LD242244 Warsaw PAP in English 2125 GMT 24 Jun 87

[Text] Warsaw, June 24 — Colombian Foreign Minister Julio Londono Paredes ended an official visit to Poland today.

The chief of Colombian diplomacy called on Minister of Foreign Trade Andrzej Wojcik earlier today. During the talk the sides discussed the development of economic cooperation, especially trade. The sides stressed that in this respect there were good traditions of balanced turnover on the basis of the principle of complementarity.

Assessing the results achieved of late the sides drew attention to undertakings which should be started with a view to further developing and reviving them. This especially pertains to Colombian goods needed by Poland in exchange for products of the Polish industry.

In the afternoon Julio Londono Paredes left Poland, bidden farewell by Minister Orzechowski.

MOROCCAN FOREIGN MINISTER BEGINS OFFICIAL VISIT

Arrives in Warsaw 24 Jun

LD242130 Warsaw PAP in English 2018 GMT 24 Jun 87

[Text] Warsaw, June 24 — Minister of Foreign Affairs of the Kingdom of Morocco Abdellatif Filali arrived in Poland today for an official visit at the invitation of Polish Foreign Affairs Minister Marian Orzechowski. Orzechowski welcomed the guest at Warsaw's Okecie Airport.

Holds Talks With Orzechowski

LD260957 Warsaw PAP in English 1507 GMT 25 Jun 87

[Text] Warsaw, June 25 — Minister of Foreign Affairs of Morocco Abdellatif Filali, on an official visit in Poland, held meetings and talks with representatives of Polish authorities today.

Polish-Moroccan plenary talks were held here under the chairmanship of Marian Orzechowski and Abdellatif Filali. The talks were preceded by a meeting of both ministers.

The two stressed the importance of the current visit, which is a reflection of traditional Polish-Moroccan cooperation and creates further possibilities for the development of political dialogue at various levels and cooperation in various fields.

Besides the traditional exchange of raw materials, measurable advantages should be sought in cooperation in such fields as maritime economy and fishery, agriculture, power industry and vocational training.

The ministers also reviewed international questions, including the situation in the Middle East and in northern Africa. Orzechowski presented problems linked with the situation in Europe, especially in light of the peace initiatives of the socialist states. In this context he spoke of the substance of the Polish plan to decrease armaments and increase confidence in central Europe.

Abdellatif Filali paid a visit to Poland's Minister of Foreign Trade Andrzej Wojcik. The two discussed bilateral economic and trade relations and stressed their rich and long traditions, particularly in such fields as chemical and sugar industries, and agriculture.

Taking into account that the Polish and Moroccan economies are complementary to a considerable degree, the sides pointed to possibilities to further develop trade and expand Polish-Moroccan industrial cooperation.

During a dinner given by Marian Orzechowski in honour of the Moroccan guest, the ministers delivered speeches (abridged texts given separately).

JARUZELSKI: CULTURAL ROLE IN NATIONAL ACCORD 'GREAT'

AU251946 Warsaw TRYBUNA LUDU in Polish 23 Jun 87 p 1

[Report on speech by State Council Chairman Wojciech Jaruzelski at a conference of chairmen of voivodship people's councils at the seat of the State Council in Warsaw on 22 June]

[Text] Summing up the talks, State Council Chairman Wojciech Jaruzelski said that the political and state leadership attaches great importance to the development and dissemination of culture. Today's proceedings have confirmed the interest of the people's councils in this subject matter. It is significant that during the present term of office, as many as 37 people's councils have had cultural affairs as a topic in their meetings. This level of interest should be continued. At the same time, we expect primary level people's councils and self-management bodies, especially self-management bodies of residents, to pay more attention to these matters. There are many examples illustrating revival of cultural activity. Considerable resources are being allocated to the construction and expansion of cultural premises. Jaruzelski expressed recognition for those who are socially active in culture. They are making a valuable contribution to disseminating culture, he said. These people are the nameless heroes of the national culture front.

Continuing, Jaruzelski stressed that culture must be viewed in a broad context. It presents a picture of interpersonal relationships in all their complexity. The value of these relationships, the relationship between one person and another, is expressed in the methods discussed during the conference. [paragraph continues]

We know how frequently those humanitarian values that determine how people treat each other are missing from our lives. Such a value is, for example, work quality. After all, the fruit of human effort is addressed to another person. We feel the low quality of a particular product every day. This possesses a certain ethical dimension. Activity for the sake of broadly-conceived quality requires support from culture, which is enriching our lives. The role of cultural activity in the process of national accord is great. This is an exceptionally important sphere in which people can seek a common language. Life shows how much has been done and is still being done in socialist Poland in order to preserve and enrich our greatest and most beautiful national traditions in the sphere of culture. It is no coincidence that some of today's speakers have spoken about the renewal and protection of our historic-cultural traditions. This is a subject that has been present throughout the past 40 years and is treated with maximum seriousness. At the very start, the destoyed, ruined, and bloodied country began to restore these valuable naticnal values. There are not many countries richer than ours that have tackled and performed this work with as much determination as we have. Although the passage of time is presenting new needs and we would like to do more, no one has the right to fail to appreciate our concern with national traditions and cultural values.

An important matter that was discussed, Jaruzelski continued, are the existing and growing material needs of culture. Taking into account these needs and the economic reform mechanisms that we will have to implement with even greater consistency for the sake of the country's development, we will at the same time make sure that the principles of socialism are adhered to and that there are enough resources for the development of culture. On the other hand, we must make sure that the resources allocated to culture are managed rationally.

There is a direct interdependence between the thick web of the economy and the resources allocated to culture. There is no other possibilty of increasing these resources apart from raising the national income. Furthermore, one might say that an enterprise on the verge of bankruptcy and empty of profits will never be a patron of culture. Proceeding to other problems, Jaruzelski said that particular care has to be exercised over the sparing use of the resources at our disposal. He recalled that it is also necessary to seek the reserves inherent in culture, as part of the general certification of jobs. This not only should help find financial reserves but also should improve the material situation of people employed in culture.

Jaruzelski also said the social scientific movement is a great intellectual, social, and ethical value. It satisfies man's needs and serves to educate him. This movement and the people in it should receive backing, its forms of action should be enriched, and the potential inherent in it should be used to the full. We intend to give scientific associations wider powers. Voivodship authorities are already able to grant these powers.

WOZNIAK DISCUSSES PROBLEMS, CHANGES IN ECONOMY

AU162010 Sofia RABOTNICHESKO DELO in Bulgarian 15 Jun 87 p 6

[Interview with Marian Wozniak, Politburo member and secretary of the PZPR Central Committee, by Boris Dankov, RABOTNICHESKO DELO Warsaw correspondent: "Poland's Economy Faces an Important Stage" -- place and date of interview not given]

[Text] [Dankov] Comrade Wozniak, Poland's national economy has achieved dynamic growth in the period following the congress. What problems and tasks does the Polish economy now face?

[Wozniak] The program adopted at the 10th PZPR Congress sets important tasks relating to the country's socioeconomic development until the year 2000. Two stages are marked out in the economic field. During the first stage -- up to 1990 -- it is necessary to overcome all the consequences of the difficulties that we have experienced, halt inflation, achieve market equilibrium, and establish the tendencies of stabilization. During the second stage, by utilizing the existing development factors, we have to ensure a faster growth of the national income, real wages, pensions, and consumption. During the next 15 years the national income must rise by at least 75 percent, which assumes that production will increase by at least 65 percent and that the consumption of materials and energy will be reduced by 30-40 percent. This is the only way to ensure a 50-percent rise in per capita consumption.

At the threshold of the next century, we have to grapple with the fundamental problems crucial for living conditions and for the mood of society. We are unable to solve any of them with the present level of social productivity, with the existing organization of labor and management, and with the current utilization of the material and technical base. The decisive factor for achieving this is higher efficiency. Unless we balance the economy and intensify its development, it is impossible to achieve high growth of the national income and an improvement of the living standard.

[Dankov] Recently the PZPR Central Committee made a decision on qualitative changes in the country's economy. What are the main elements of this decision?

[Wozniak] The introduction of the economic reform was positive. It's contribution to overcoming the difficulties that arose at the beginning of the eighties is beyond all doubt. The national economic plans were also successfully fulfilled from 1983 to 1986. The national income rose higher than planned and industrial production and labor productivity increased.

The contemporary requirements of the scientific and technical revolution require a new strategy, aimed first and foremost at accelerated development of the industrial branches and production in accordance with the highest achievements of science and technical progress. This in turn presupposes a change in the investment structure.

However, the principal reason why qualitative growth in the country's economy is essential is the appearance of a number of negative phenomena. These include: the continuing imbalance in the economy, expressed in an excess of demand over supply; the existence of a budget deficit; and the growing foreign exchange debt. These are shackling many of the economic mechanisms and making it impossible to utilize the reserves. From another aspect, they are hindering the introduction of innovations, progressive changes in the structure of the economy, stimulating people's initiative, and so on.

[Dankov] A start has already been made on carrying the second stage of the economic reform. What does this mean in practice?

[Wozniak] The resolution of the 10th PZPR Congress states that "the present, qualitatively new stage in restructuring our economy requires the application of integrated decisions to ensure high efficiency." A specific program to implement these decisions was adopted by the third plenum of the PZPR Central Committee. In essence, this program boils down to consistently applying firm economic measures. Raising efficiency must become the main goal and condition for the existence of all enterprises. This is the principal idea of the second stage of the reform. This does not mean that the concept adopted in 1981 and 1982 is changing. Only the method of the concept's application is changing, which has hitherto been slow and not effective enough.

The second stage of the reform means making the economic indices objective realities, so that the price is a reflection of the social labor. A further important problem is to achieve higher efficiency through rational utilization of the economic mechanism. Rapid restoration of balance in the economy is the next goal that has to be reached through increasing production.

A significant problem is the application of the reform in every enterprise. What does this signify? First, it signifies the complete application of the principle of equal pay for equal work and the elimination of inefficient enterprises. The second stage of the reform provides for further improving of the economy's organizational structure, decentralizing it, and giving the enterprises opportunities to solve their own immediate problems themselves.

Recently theses on the second stage of the reform were published. After discussion, specific programs will be adopted for implementing the reform, as part of the decisons connected with the restructuring of the economy, and these will be implemented this very year.

[Dankov] The 10th PZPR Congress set the task of carrying out a certification of jobs. What is the purpose of this new initiative?

[Wozniak] One of the key elements in the second stage of the economic reform will be to direct the enterprises toward opening up their internal reserves. The application of certification and the group forms of labor organization will be not only a task for the party organization but also a necessity arising from the action of economic factors.

Certification provides for complete specifications to be prepared of the jobs in the enterprises and for creating on this basis opportunities for making better use of manpower and the existing equipment. In fulfilling this task, we are drawing on the rich Soviet and Bulgarian experience.

During the precongress campaign, as well as in the discussions during the 10th PZPR Congress, the need to utilize certification not only in the material sphere but also as part of a broad review of the organizational structures in the economy and in the state as a whole was emphasized.

In accordance with the decision of the 10th PZPR Congress, the chief aim of this review is to perfect management and manpower structure and to restrict bureaucratic phenomena. The review should assist in regulating the production processes, administrative services, and so on. It will lead to the elimination of unnecessary organizational structures and jobs.

In brief, the aim of certification is greater management efficiency and better results, which are the main task of the economic reform and of Poland's development during the next few years.

ROMANIAN-U.S. TRADE MEETING REPORTED

AU251840 Bucharest AGERPRES in English 1722 GMT 25 Jun 87

[Text] Washington AGEPRPRES 25/6/1987 -- A Romanian-American meeting was held in Washington to mark ten years of cooperation between "Island Creek Corp." and the "Mineralimportexport" enterprise in the exploitation and delivery of coking coal to Romania. Attending were officials of the U.S. Department of Commerce, representatives of the two partner companies, businessmen from companies that cooperate with Romanian enterprises, journalists.

Reference was made on the occasion to the Romanian-American fruitful cooperation in the economic and commerical fields, as well as to its development prospects.

ROMANIAN-JORDANIAN ECONOMIC COMMISSION OPENS

AU231139 Bucharest AGERPRES in English 1045 GMT 23 Jun 87

[Text] Bucharest, AGERPRES, June 23, 1987 -- The eighth session of the Joint Romanian-Jordanian Government Commission on Economic, Technological and Scientific Cooperation started in Bucharest, on June 23.

The two delegations, headed by Ion Constantinescu, minister secretary of state at the State Planning Commtee, and Tahir Kana'an, minister of planning of Jordan, analyze the current stage of bilateral economic relations, new possibilities and ways of developing further the Romanian-Jordanian cooperation and collaboration in domains of mutual interest.

FURTHER REPORTAGE ON 19 JUNE PEC PROCEEDINGS

Ceausescu Chairs Meeting

AU231217 Bucharest SCINTEIA in Romanian 20 Jun 87 p 1

[Text] RCP Secretary General Comrade Nicolae Ceausescu chaired a meeting of the RCP Central Committee PEC on Friday, 19 June.

During the meeting, the PEC examined a report on the draft uniform national plan for the socioeconomic development of the SR of Romania in 1988.

The PEC stressed that the draft plan for the coming year is based on tasks laid down by the 13th RCP Congress directives and takes into account the 1988 provisions of the current 5-year plan and the programs to improve the organization and modernization of productive processes, initiated and elaborated under the direct leadership of the party secretary general.

The PEC highly valued Comrade Nicolae Ceausescu's contribution to substantiating the draft plan in a profoundly scientific manner as well as his recommendations and guidelines during detailed analyses with ministries, central departments, and enterprises on the need to ensure an intensive economic growth and increase efficiency in all fields. The draft plan particularly emphasizes further expanding the forces of production, strongly asserting the new scientific-technical revolution and the new agrarian revolution, extending the domestic base of raw materials, raising the technical and qualitative level of products and the utilization degree of resources, reducing material and energy consumption, using investment funds with maximum efficiency, rapidly increasing labor productivity, and reducing material expenditures. This is a key means for steadily raising the national income and, on this basis, the people's living standard. The 1988 plan provisions are also based on studies and programs concerning the development of scientific research and the dissemination of technical progress in all national economic branches.

The meeting examined main improvements brought to the draft plan during analyses carried out in each branch and field of activity at the initiative and under the guidance of Comrade Nicolae Ceausescu. These modifications aim at further improving the quantitative and qualitative plan indexes, raising the utilization degree of all resources, increasing labor productivity, reducing consumption and project costs, and thus raising the efficiency of the entire economic activity.

Endorsing the draft uniform national plan for socioeconomic development in 1988, the PEC decided that it should be submitted to the discussion of the Working People's National Council and plenary meeting and then to the discussion of the party Central Committee plenum.

The PEC further examined a report on the draft plan for the development of agriculture, food industry, forestry, and water administration in 1988.

The PEC emphasized that the 1988 provisions are in full accordance with decisions adopted by the 13th RCP Congress and with orientations established by the party secretary general for the development of these important branches and sectors of the national economy.

In the drafting of these plan proposals, account was taken of the targets stipulated for this year by the national program for sure and stable crops and by other approved programs on increasing the production of grain and industrial plants and expanding the livestock sector, fodder base, vegetable-, fruit-, and tree-growing, silkworm-growing, and beekeeping. At the same time, due consideration was given to the programs for the food industry sector and for self-management and self-administration, in order to further ensure an ever smoother supply of agricultural and food products and consumer goods to the people. The meeting discussed improvements brought to this draft plan -- as a result of analyses carried out under the direct leadership of the party secretary general -- which aim at better utilizing the productive potential of the land, increasing average vegetable and animal productions, and better utilizing reserves available to our socialist agriculture.

The PEC endorsed the draft plan for the development of agriculture, food industry, forestry, and water administration in 1988 and decided that it be submitted to the discussion of the party Central Committee plenum.

The PEC then discussed the program on intensifying the collection and utilization of reusable materials and the reconditioning of parts and subassemblies in 1988.

Emphasizing that one of the key directions of our party policy for the country's socioeconomic development is the expansion of the domestic base of raw materials, the meeting pointed out the particular importance of intensifying the recovery and utilization of reusable materials for meeting requirements for raw and other materials, spare parts, and subassemblies from domestic resources to a larger extent.

In keeping with the 13th RCP Congress decisions and Comrade Nicolae Ceausescu's guidelines, we will intensify the recovery and reuse of material resources in the coming period, so as to meet 50 percent and more of raw material requirements in a number of sectors, before the end of the current 5-year plan.

The PEC stressed the great importance of the 1988 program on intensifying the collection and utilization of reusable materials and the reconditioning of parts and subassemblies drafted in accordance with the party secretary general recommendations; through its targets, the plan ensures a greater contribution of these resources to meeting overall economic needs and improving the supply of economic units with raw and other materials.

The PEC asked the ministries and central coordinating bases to further examine -- in the spirit of recommendations and orientations given by the party secretary general -- opportunities for intensifying the collection and utiliation reusable materials and to advance proposals, before September, on improving the program in this field. The government was requested to present proposals for improving the organization and development of activities to collect, recondition, and reutilize recoverable materials in each unit and locality, so as to facilitate the introduction of all reusable parts, subassemblies, and materials into the economic circuit.

The PEC examined certain measures on further improving the activity of the Supreme Socioeconomic Development Council and the entire management and planning of the national economy. The proposed measures aim at increasing the responsibility of that council, of the government and its executive bureau, and of the branch councils, ministries, and industrial central departments -- in their capacity as plan executors -- in the elaboration, substantiation, and fulfillment of socioeconomic development plans and programs and in overall economic management. In this respect, certain measures were adopted concerning the composition, organization, and functioniong of the Supreme Socioeconomic Development COuncil. It was decided that these measures should be submitted to the endorsement of the Supreme Socioeconomic Development Council.

The PEC examined a report on the activity carried out in 1986 for the application of Law No 18/6869 on checking the origin of assets illicitly acquired by various individuals.

The meeting stressed that, by implementing this law's provisions, the central commission and the county commissions for guiding and checking the uniform application of Law No 18 as well as the ministries and other central bodies with prerogatives in this field and their subordinated units have acted to prevent law violations and resolve the working people's notifications more efficiently. Their entire activity aimed at strictly observing the norms of socialist ethics and equity and finding out and bringing to account all those who accumulate assets without work or at the expense of the work of others, damage public and citizens' property, and damage the interests of the society and people.

The PEC asked all responsible factors to further take exacting and firm action to prevent and combat any attempts or actions to violate legal provisions, in aims of ceaselessly defending the property of the entire nation and the basic interests of our fatherland's development.

The PEC endorsed the proposal on organizing and holding the Third Congress of Political Education and Socialist Culture.

Emphasizing that the congress proceedings should take place 18-19 August this year, the PEC asked all bodies with responsibilities in this field to take steps to properly prepare this congress, so that it can become a new and strong manifestation of our revolutionary workers democracy and a broad discussion forum for ways and means to consistently implement the party's policy in the political-ideological field, education, culture, art, and the fashioning of the advanced socialist awareness of the new man, builder of the socialist and communist society in our fatherland.

The PEC decided to convene the RCP Central Committee plenum 24-25 June this year.

The PEC examined proposals on convening, holding, and preparing the agenda of the RCP National Conference and decided that these proposals should be submitted for the approval of the party Central Committee plenum.

The PEC meeting was also briefed on the official friendship visit to our country by Comrade Mohamed Siad Barre, general secretary of the Somali Socialist Revolutionary Party and president of the Somali Democratic Republic.

The PEC valued the results of the visit, which goes down as a new contribution to developing friendship and cooperation between the two parties, countries, and peoples and promoting the cause of international detente, understanding, and cooperation. It was emphasized that, during the talks, the sides expressed the common desire to further strengthen the Romanian-Somali cooperation in the political, economic, scientific-technical, cultural, and other fields, in accordance with the aspirations for peace and progress of our nations. In this respect, the meeting pointed out the significance of the agreements concluded by the two party-state leaders, agreements which were included in the joint communique signed at the end of the visit and which ensure a broad framework for mutually advantageous cooperation in most important fields for the independent socioeconomic development of Romania and Somalia.

The PEC also pointed out the significance of the exchange of opinions between Comrades Nicolae Ceausescu and Mohamed Siad Barre on international developments; in this respect, the sides reiterated the determination of our parties and countries to further work to promote a policy of detente and disarmament, eliminate underdevelopment, build a new world economic order, establish a climate of peace, security, trust, and cooperation in Europe, Africa, and throughout the world, and achieve the ideals of freedom, independence, and progress of all nations.

Fully endorsing the results of the visit, the PEC asked the government, ministries, and other central bodies to take all necessary steps to commendably implement the agreements reached on further expanding all-round Romanian-Somali cooperation, to the benefit and in the interest of the two countries and peoples.

The PEC also dealt with current problems of party-state activity.

MORE FUNDS ALLOCATED FOR NON-METAL MINING

AU241308 Bucharest AGERPRES in English 1001 GMT 24 Jun 87

[Text] Bucharest, AGERPRES, 24/6/1987 -- Over the current five-year interval (1986-1990) the funds earmarked by Romania to develop her non-metalliferous mining are by 37 percent larger than over the previous five-year period. Romania extracts her non-metalliferous substances from some 60 deposits in more than 20 countries. In almost all the cases these raw materials are industrialized according to Romanian methods, resulting in 23 groups of substances and over 120 categories. Over the last two decades output has gone up between five and seven times with most of the products. The highest rates have been scored by quartz, caolin, dolomite, salt, graphite, silicon for melting plants and the glass industry, etc.

Romanian researchers have worked out technologies apt to produce materials for peak domains. Such is the case of micronized and activated bentonite for drilling fluids, very white caolin for the paper industry, granular dolomite, various sorts of high-carbon graphite. Important successes have been achieved in the superior capitalization of volcanic tufa, refractory clay and other non-metalliferous raw materials.

Lately research has been oriented towards the assimilation of various very pure non-metalliferous products such as diatomite for filtering edible liquids, clays and bentones for enamels, deep drilling, etc.

Over the current five-year period new non-metalliferous deposits will be turned available to the economic circuit, such as the Filia diatomite, the Budureasa brucine, the Caraorman quartz, the Baneaa calcarous substances for use in the iron-and-steel industry.

BRIEFS

POLISH-ROMANIAN COOPERATION -- Bucharest, June 24 -- A delegation of the Polish Academy of Sciences PAN, headed by PAN's Deputy First Secretary Saturnin Zawadzki, are holding talks here on cooperation between PAN and the Academy of the Socialist Republic of Romania. Today the PAN delegation signed a protocol on scientific cooperation between both academies to the year 1990 which embraces all scientific fields and includes 50 joint topics of studies. [Text] [Warsaw PAP in English 1721 GMT 24 Jun 87 LD]

TOURIST PACT WITH BULGARIA -- Bucharest, AGERPRES, 18/6/1987 -- Romanian-Bulgarian negotiations on collaboration in tourism were conducted in Bucharest, over June 15-19. An aide-memoire was signed on the occasion regarding the expansion of the tourist relations between the two countries in 1987 and the development patterns of the bilateral collaboration for the years ahead. The Bulgarian delegation toured several touristic sites in Bucharest and on the Romanian Black Sea coast. [Text] [Bucharest AGERPRES in English 1546 GMT 18 Jun 87 AU]

NEW SHIP LAUNCHED -- Bucharest, AGERPRES, 11/06/1987 -- Alongside Constanta, Drobeta-Turnu Severin, Oltenita, Giurgiu, Sulina and Braila, Galati is one of the most important representative centres of the shipbuilding industry in Romania, where efforts have been intensified in order to reach higher rates in building and equipping ships. A new 5,000 dwt vessel was launched a few days ago, while sea trials started with the "Arad" cargo boat, a universal-type ship of 15,000 dwt meant for the Romanian merchant fleet. [Text] [Bucharest AGERPRES in English 1802 GMT 11 Jun 87 AU]

SPOKESMAN ON ITALIAN BORDER FORMS, OTHER ISSUES

AU251936 Belgrade BORBA in Serbo-Croatian 19 Jun 87 p 4

[Z. Mandzuka report on press conference held by Aleksandar Stanic, spokesman of the Federal Secretariat for Foreign Affairs]

[Text] Belgrade, 18 June — Replying to a journalist's question at the press conference held today, Aleksandar Stanic, spokesman of the Federal Secretariat for Foreign Affairs, has once again — it seems to us for the third time in a row — assessed the Italian authorities' intention to introduce forms at the border that will be filled out only by Yugoslavs. What concrete measures has the Yugoslav Government undertaken?

After recalling that this would not be in the spirit of good-neighborly cooperation and friendly relations, Stanic reiterated that we cannot understand at all nor can we reconcile the fact that our citizens are treated differently, that is, worse than the citizens of many European and other countries. It was said that the SFRY ambassador in Rome intervened with the Italian minister of tourism, and then with this country's Ministry of Foreign Affairs and with the director of the Political Administration of that ministry. He has also intervened with the head of the border service at the Italian Ministry of the Interior. The Consulate General of the SFRY in Trieste has intervened twice with the prefect of the regional government, and a representative of the Federal Secretariat for Foreign Affairs has also intervened with the Italian ambassador in Belgrade.

I can also add, Stanic said, that Federal Secretary Raif Dizdarevic has sent a personal letter to Giulio Andreotti, minister of foreign affairs, which points to the untenability of this decision, and demands that the announced measure by reexamined and its implementation abandoned in the basis of mutual interest.

Assessing the meetings of the Warsaw Pact in Berlin, the seven capitalist nations in Venice, and of NATO foreign ministers in Reykjavik, Stanic said that they were not marked by the exacerbation of confrontation of the East and West, as was frequently the case in the not so distant past, but there was an improved atmosphere during the discussions. There is the encouraging fact, it was said, that the two sides did not only ask greater flexibility of each other, but they both made an effort to facilitate agreements through greater flexibility and acceptable suggestions.

This was what the international community demanded and expected, and I hope that such a course will prevail and be maintained longer, the spokesman of the Federal Secretariat for Foreign Affairs said.

What do you think about the latest proposals of the U.S. President, was one of the questions.

President Reagan's views also attract our attention, Stanic said, and we examine them within the context of the positive initiatives that are recently present on both sides in their negotiations.

JOINT ALGERIAN DEBT PAYMENT TALKS REPORTED

LD242244 Belgrade TANJUG in English 2112 GMT 24 Jun 87

[Text] Belgrade, June 24 (TANJUG) — The Algerian side should show more understanding and readiness in fulfilling more regularly its financial obligations of about 40 million dollars to Yugoslav partners, Yugoslav Finance Secretary Svetozar Rikanovic said in talks here today with his Algerian counterpart Abdelaziz Khellef.

The two ministers agree that financial experts of the two countries should review the question of payments by Algerian partners on outstanding Yugoslav claims and propose specific solutions during the current visit of the Algerian delegation.

Rikanovic and Khellef noted that Algeria had succeeded in improving its balance-of-payments position and standing on the international money markets after the worldwide drop of oil prices. They also noted that more regular payments on outstanding Yugoslav claims in the world would contribute to overcoming Yugoslavia's economic difficulties. It was agreed that Yugoslavia and Algeria should sign as soon as possible an agreement on avoiding double taxation.

Algeria is Yugoslavia's third largest trading partner among the developing countries. Their trade last year totalled 263 million dollars, with Yugoslav exports accounting for 146 million dollars.

HUNDREDS OF KOSOVO RESIDENTS ARRIVE IN BELGRADE

LD261153 Belgrade TANJUG Domestic Service in Serbo-Croatian 0949 GMT 26 Jun 87

[Text] Belgrade, 26 Jun (TANJUG) — Several hundred citizens from Kosovo arrived in Belgrade this morning in connection with today's LCY Central Committee Session which is discussing the causes and consequences of the failure to implement party policy in this province. Most of them are in the park opposite the Yugoslav Assembly building where the party plenum is being held.

It is being said that representatives of this group will be received today in the building of the sociopolitical organizations in new Belgrade.

GACIC ADDRESSES LCY PLENUM ON STABILIZING KOSOVO

AU252020 Belgrade Domestic Service in Serbo-Coratian 1700 GMT 25 Jun 87

[Statement given by Radisa Gacic, secretary of the LCY Central Committee Presidium, to the Yugoslav radio and television and TANJUG on the occasion of the LCY Central Committee session on 25 June]

[Text] The conclusions that the LCY Central Committee will adopt must not fail to create all the necessary conditions so that their realization will resolutely halt the emigration of Serbs and Montenegrins from Kosovo under pressure — which represents one of the most difficult political and moral problems of the Yugoslav society — along with conditions for the return of people who have emigrated and the effective prevention of the counterrevolutionary strategy of Albanian nationalists and separatists about an ethnically pure Kosovo. These are basic conditions for stabilizing the political and security situation in Kosovo, and for improving the political climate in the whole of the country and for strengthening unity, stability and integrity of socialist Yugoslavia.

It is only in this way that one can remove the causes of seriously disturbed intranational relations in Kosovo, prevent national divisions, and open up certain perspectives for joint life in freedom, dignity, and equality of all citizens, members of all peoples and nationalities; implementating the policy of the quickest economic development of Kosovo should also serve this purpose.

I am deeply convinced that all communists, LC organizations and their leaderships in Kosovo, Serbia, and the whole of the country will also find clear tasks for themselves in the conclusions that will be adopted, and that they will implement those tasks completely without any delay, inciting all people and their organs, and together with them strive for their complete implementation everywhere. We are facing a great test and have to pass it successfully through joint will and efficient work.

The concern with the situation and stressed demands that problems be solved quicker are justified, but what is not acceptable is the kind of support to the LCY Central Committee, the pressures, or those forms of citizens' rallies which at this moment tend to make this difficult situation even more complex and make possible the activity of those forces that do not want a real solution to Kosovo problems. The efforts made by the LCY Central Committee are directed toward solving problems in a way that will strengthen intranational confidence and unity, and create conditions for all institutions of the system to function in a way that will ensure safety, security, and equality of all people and citizens, members of all peoples and nationalities, thereby removing reasons for the pressured emigration of Serbs and Montenegrins.

FURTHER REPORTAGE ON SFRY ASSEMBLY CHAMBER SESSION

Economic Proposals Reported

LD250911 Belgrade TANJUG Domestic Service in Serbo-Croatian 0913 GMT 24 Jun 87

["SFRY Assembly Federal Chamber Session: Introductory Report by Egon Padovan" -- TANJUG headline]

[Text] Belgrade, 24 Jun (TANJUG) -- The SFRY Assembly's Federal Chamber today discussed the proposals for the improvement of the economic system that contains proposed changes in 14 areas, from expanded reproduction and the banking and credit system to the ways of attracting our citizens' resources and joint investment with foreign partners. An introductory report was presented by FEC member Egon Padovan, who stressed that even during the document's preparation, the FEC was very aware that the existing economic system and relations it generated were having an unfavorable effect on the overall situation in society.

Explaining that the proposals were not meant prejudice the coming consitutional changes, Padovan passed on the FEC's view that it would be possible to carry out the majority of the proposed changes in the economic system by the end of the year even under the present constitutional regulations. Failure to fulfill this task by the end of the year would also jeopardize the implementation of the long-term program of economic stabilization, he stressed.

Continuing his report, Egon Padovan emphasized that the changes would open up scope for continued application of economic laws in the conditions of commodity production; in other words, they would provide a basis for large-scale mobilization of the country's human and material potentials and for the economy's more comprehensive participation in the international division of labor. According to Padovan, failure to implement the proposed changes would also jeopardize integration on Yugoslav territory and would prevent us from freeing ourselves from the state's role in social reproduction.

Egon Padovan went on to speak about the proposed changes in particular spheres. He designated the area of expanded reproduction as one of most importance. He noted that the state's influence in the area was still considerable, that market and market economy laws were being ignored, and that the economic system had failed to provide conditions for equality of all economic subjects to an adequate extent. In addition, Padovan continued, adequate solutions are to be found and analysis conducted of other issues on which there is no unanimity, such as the issue of motivating workers to invest outside their own firm, and of using personal funds to expand workers' financial basis, etc.

In reference to joint investment with foreigners, Padovan said that significant innovations had been proposed because, despite a great number of changes in this area, expected results failed to be achieved. He went on to stress that the mistaken view that investments by foreign partners could have negative effect on our economy was still in evidence. The fact is being ignored, Padovan went on, that foreign investment is conducive to speeding up the economy's bolder opening, its participation in the international division of labor, and to resolving the problems of shortage of capital for development as a considerable share of domestic accumulation goes to cover foreign debts. It must not be forgotten that a country's economic independence is threatened more by overstretched credit relations that carry neither common risk nor common responsibility for joint operations, Egon Padovan said.

TANJUG Reports on Session

LD251406 Belgrade TANJUG Domestic Service in Serbo-Croatian 1055 GMT 24 Jun 87

["Federal Chamber -- Session Proceedings" -- TANJUG headline; monitored TANJUG transmissions did not carry initial portion of this item]

[Excerpts] [Dateline not received] A general discussion on the theses was opened by Dr Radivoj Tepsic, who stressed the importance of opening up wider prospects for cooperation between the social and private sectors. A support for joint investments, that should replace the present credit relations, would make possible more frequent contacts between economic organizations and the greater participation of citizens' funds -- which is very important for the financially exhausted economy -- recalled Tepsic, adding that it is unjustified to fear that social funds would go to private pockets.

The citizens can be "attracted" toward investing their savings in the social sector if they are given a management opportunity, proportional to the funds invested, which should be elaborated in the theses, warned Tepsic. Joint investments with foreigners, in his words, are more favorable than using foreign credits, but agreements should be expertly prepared so that we do not become more dependent than when we use the credits. Foreigners will attempt to obtain maximum protection from risk by agreements on joint investments. Tepsic also gave support for creating conditions for a more considerable use of foreign currency resources of our citizens in the country and in temporary employment abroad. He also pointed to the vital need for an all-embracing reform of the financial system, with an orientation toward a strong dinar.

Theses for the further expansion of the economic system are unacceptable on the whole, said Vladimir Sazdov, proposing that they should envisage the introduction of market criteria in the managing of so-called large systems, while taking into consideration their specific features. [passage omitted]

Before concluding the discussion on the theses for developing the economic system, FEC President Branko Mikulic answered delegates' questions posed today by Vilko Jelen. He said that the FEC President should submit a report on the work and explain why the rate of inflation is rising uncontrollably. Jelen wanted to know when the foreign exchange law would be changed, the law which, according to him, is untenable, and what the FEC had done about the Federal Secretariat for Finances in connection with its dilletantish reply when the price of oil derivatives rose.

Mikulic stressed that according to the Constitution, the FEC submitted a report to the assembly after 2 years, but in practice the council submitted a report several times a year, though only about particular issues. The assembly will soon discuss an analysis of current economic trends and this will be an opportunity, Mikulic pointed out, to assess the FEC's work.

Recalling that he spoke in detail about inflation at the recent session of the SAWPY Federal Conference, Mikulic stressed that its causes were very deep. Among the most significant causes he cited a big foreign debt -- for the repayment of which 11.4 percent of the country's social product was used last year -- dubious accounts, deficits, and losses that are approaching the amount of the foreign debt, structural irregularities in the economy, and untenable distribution of the social product. Almost 60 percent of the social product last year was used for unproductive expenditure and the amount continues to grow, while the position of distribution in the economy exacerbates.

In accordance with its possibilities, the FEC proposed measures for curbing inflation, particularly expenditure, but according to the FEC president it is necessary to raise the awareness of what this distribution means and to what extent losses, dubious accounts, and so forth, present a burden to us. Mikulic stressed the FEC was open to conversation and to seeking the best solutions to these problems, stating there should be no illusions that they could be dealt with in a short period.

In response to the question on the foreign exchange law, Mikulic stressed the FEC was currently analyzing the law and that the council would propose a discussion when it reached conclusions. In the pat 2 months, the FEC also discussed foreign liquidity and established conclusions that have been passed on to the presidents of the assembly and its chambers. This should also be discussed in the assembly, Mikulic said.

Pointing out that the FEC will discuss every concrete proposal for changes to the foreign exchange law, Mikulic said that Croatia had proposed the basis for changes to this law. But we are a federal country and must seek solutions that suit everybody and will stimulate exports, foreign exchange inflow, and improve the position of active exporters, Mikulic stressed. He added that the FEC would not support the introduction of a black market for foreign exchange.

The most recent information, up to 22 June, shows that the overall exports were increased by 4.1 percent, out of which 15 percent was to convertible currency markets, and 22 percent to develop countries, Mikulic said. He noted that, as agreed, everything had been calculated in dollars and, regardless of the method used, the situation corresponds to the foreign exchange inflow and commitments toward foreign creditors.

Commenting on the remark that the FEC "is losing ground under its feet and trust among workers," Branko Mikulic said: "It varies, it depends on how the mood is prepared." If the FEC was made responsible for everything that happens in all parts of the country, it is logical that it would lose its prestige: for example, if the council is made responsible for the increase of general and joint expenditure.

At the end of May, 135 billion dinars were mobilized in self-managing communities of interest, and at the end of April, 96.7 billion. This was in spite of the intervention laws, while the FEC and the assembly with their decisions and laws do not take a single dinar from the economy's income, Mikulic said.

If the FEC was made responsible for the abuse of selective credits for which penal interest rates were introducing this interest rate, but not for the abuse of these credits, since the federation did not even use them. Uneconomic investments of the federation are lower than last year, Mikulic said, stressing that on 31 May, work organizations had on their accounts only 618 billion dinars, while there were 692 billion in self-managing communities of interest and funds of sociopolitical communities. The federation has no such funds, Mikulic said, asking the question of where the money supply was distributed if in the first 3 months of the year it was increased by 417.2 billion dinars, while the assets of the federation by 3.5 percent. How is it that so much money was taken from the economy and under whose influence? Who made the decisions, Mikulic asked, expressing readiness for a conversation supported with arguments whereby each problem should be directed to a competent place, including the establishment of the FEC's accountability.

The FEC President then spoke about the price of oil and derivatives, pointing out that experience from the first and second increases in oil prices indicate the catastrophic material consequences of conducting a policy of low prices for derivatives on the domestic market. For a country that imports oil, it means the outflow of foreign exchange for expenditure.

The FEC President supported this assessment with data, according to which Yugoslavia in 1980 -- in comparison with 1972 (before the first oil price rise) -- spent 33 times more dollars for importing oil. In the same period, oil prices on the world market increased by 12.6 times, while the prices of derivatives in our country increased by approximately six times. For oil imports in these 9 years, Yugoslavia paid $8.83 billion. Because the prices of derivatives did not follow the increase in oil prices on the world market, a big part of these $8.83 billion was transferred to the expenditure of our citizens and those from other countries, other types of expenditure in Yugoslavia, as well as to the expenditure of foreign carriers in transit through our country.

In 1986, compared with 1985, Mikulic added, we imported 2.2 million tonnes more oil, and in the first 5 months of this year, consumption was increased by 16.2 percent despite the increase in the prices of oil derivatives since May 1986. By June 1987, consumption had continued to grow and because the prices of derivatives in Yugoslavia are still lower than in neighboring countries, assets continue to flow into the expenditure of domestic and foreign buyers. According to the exchange rate list of 20 May this year, 86 octane gasoline in Yugoslavia cost 315 dinars, in Austria 404.6, and in Italy 567.9 dinars. The price of 98 octane gasoline was then 341 dinars, in Austria 433, and Italy 591 dinars. Diesel cost 267 dinars in Yogoslavia, 390 in Austria, and 290.1 in Italy. Commenting on the remark that a comparison should also be made between the salaries of our workers and the earnings in Austria and Italy, Mikulic said that he did not agree with this, stating that work productivity should also be compared, because one accompenies the other.

The FEC president then recalled that last year $1.592 billion were paid for oil imports. On the basis of consumption, the FEC assessed that this year, payments for oil imports will have to be increased by another $250 million and this will take place in a situation of such foreign exchange illiquidity, Mikulic said.

In the period between two increases in oil prices this fuel was also funded by taking loans abroad. The FEC also funded by taking loans abroad. The FEC believes that we should not repeat mistakes already made, but that lessons should be drawn from them, Mikulic stressed, adding that the present generations have no right to put the future ones in debt, so that a section of the Yugoslavia's population would have a better life.

During the latest increase in prices of liquid fuels, the turnover tax was increased in order to provide income for the federal budget. This was done so that the republics and provinces would not be asked to increase their contributions to the budget, further encroaching into the income of the economy. We wished to transfer this to a section of the population. This income is usually used to finance joint programs in the federation, to stimulate exports, and for subsidies and compensations in agriculture, reductions of interest rates, and others. Mikulic recalled in conclusion that by increasing the turnover tax for derivatives, assets for constructing the Bratstvo-Jedinstvo motorway are provided, and a basis for realizing a joint program of highways by the end of the century is created.

Following Mikulic's answers, Vilko Jelen said that it is true that fuel prices in seven European countries are higher than in our country. With the remark that he agrees with the proposal to compare work productivity, Jelen stressed that a more complete picture should be given of this, and the conditions within which work productivity in our country is being realized should be assessed. It should be seen, he said, whether our workers are really so bad.

The council then concluded the debate on the theses for the development of the economic system in which Peter Hedzet, Bogosav Djuric, and Peter Tasev took part.

Endorsing the basic directions of the proposed changes, the council assessed that they are based on the program of stabilization and documents from the 13th LCY Congress. New solutions should be endorsed by the end of the year, but some of the changes in the economic system will have to wait for constitutional changes.

The FEC concluded that delays and inconsistency in implementing the stablization program have an unfavorable effect on the realization of the objectives the program set in connection with employment, social policy, and social activities and on the realization of the objectives of the assembly resolution, on the bases of the policy of the population's health protection. [passage omitted]

The session continues tomorrow.

Adopts New Income Regulations

AU251926 Belgrade Domestic Service in Serbo-Croatian 1700 GMT 25 Jun 87

[Excerpt] On the second day of its session, the SFRY Assembly Federal Chamber adopted amendments to the Law on Total Income and the Law on Rescue. As of 1 July, there will be new rules of conduct in personal income distribution. The Federal Chamber has required banks to give priority to the purchase of medicines and raw materials from abroad. The Chamber also endorsed the proposal to adopt a law on protection from air pollution. Slavisa Stojkovic and Olivija Rusovac report on the afternoon part of the session:

The amendments to the Law on Total Income and the Law on Rescue render the intervention law on personal incomes invalid. The SFRY Assembly Federal Chamber has thereby adopted new rules of conduct to become effective 1 July and consist of the following: All organizations that have income and have coordinated their self-managing documents with the Social Accord on Distribution will distribute personal incomes according to their documents on distribution. Those organizations that have income and fail to coordinate their documents with the social accord by 25 September will distribute personal incomes at the June level, that is, according to the intervention law. Losers and illiquid organizations will distribute current personal incomes that amount to 80 percent of the average gross monthly personal income of a worker in that organization during the previous year plus the percentage of the increase in living expenses in the period concerned, and this in relation to the Yugoslav average of the previous year. Organizations that distributed higher personal incomes will have to return the surplus during the next 3 months. There is another interesting provision that represents a sort of amnesty for losers and illiquid organizations. Namely, even if they have distributed higher wages than they should have, the previous regulation will not apply to them if rescuers or someone else provides money for personal incomes for them. It was strictly said that all June payments will be made according to the intervention laws. [passage omitted]

Discusses Medicine Shortage

LD251127 Belgrade TANJUG Domestic Service in Serbo-Croatian 0803 GMT 25 Jun 87

[Text] Belgrade, 25 Jun (TANJUG) -- At its session today the SFRY Assembly Federal Chamber drew attention to serious disruptions in the production and supply of medicines and to the shortage of a great number of medicaments. It proceeded to ask the FEC to draw up long-term solutions to the problem of ensuring foreign currency to finance imports of raw materials for the production of medicines, drugs, medical supplies, baby food, and import of drugs not manufactured in the country.

According to figures presented by Janko Obocki, president of the Federal Committee for Labor, Health, and Social Services, the situation regarding the supply of medicines was very critical throughout the country. For instance, Slovenia is short of 190 substances; Serbia, 440, Macedonia, 248; and Vojvodina, 232. The situation is similar in other republics and Kosovo, Obocki said.

Examines Judicial Organs' Work

LD251951 Zagreb Domestic Service in Serbo-Croatian 1300 GMT 25 Jun 87

[Excerpts] The Federal Chamber of the SFRY Assembly continued its session today. The agenda included problems of medicine supplies. Reports were also discussed and adopted on the work of the federal judicial organs and of a number of federal secretariats and committees. Here is a report by Sonja Badel:

In the course of the debate the delegates drew attention to the feeling of bitterness among patients, health service workers and the public over the shortage of medicines, drugs and medical supplies. [passage omitted]

The delegates to the Federal Chamber also discussed and adopted reports by the federal judicial organs. Speaking about the work of the federal court, in particular and the problems facing the judiciary, in general, the court's president, Stojan Djuranovic, revealed that last year a total of 9,809 federal, republician and provincial laws and regulations were in force. This makes it impossible to have a uniform effect of the laws in the country and illustrates excessive normativism rigidity [normativizam] in our society. Most concern among the delegates is caused by the continued rise in economic crimes. The Federal Public Prosecutor, Milos Bakic, said that last year the damage done to socially-owned property last year amounted to 1,400 billion old dinars. In reference to some views heard in the public about the policy of criminal proceedings in cases of political crime, Bakic said that, regardless of the need for ideological and political struggle against the enemies of our society and of the democratic nature of such practice, he did not think that it was undemocratic to enforce a legally-adopted and valid penal code. He stressed that public prosecutors in the country would therefore be able to continue to conduct a correct policy of criminal proceedings, only providing they are allowed to apply the penal code.

Slovene delegate Joze Susmelj made a comment on the part of the Federal Public Prosecutor's report that says hostile activity and political crime are carried out even within the legal institues of society. There is a danger, Susmelj believes, that by consciously encouraging the public prosecutor's office to look for the enemy within socio-political organizations and associations of citizens we would reduce the possibility of criticism in society, and that with the help of bureaucratic-etatist forces in particular, environments would relegate the most creative fighters for the development of socialism to the other side of the front. Susmelj called for the democratization of social life, for argument and not represssion in the struggle against anti-self-management and anti-socialist ideas, and for the strengthening of the independence, responsibility and efficiency of the whole judicial system.

All the other reports on the work of the judicial and other federal organs were approved without further debate.

RIJEKA COMMITTEE ENUMERATES TASKS TO AID ECONOMY

LD232054 Belgrade TANJUG Domestic Service in Serbo-Croatian 1558 GMT 23 Jun 87

[Excerpt] Rijeka, 23 Jun (TANJUG) -- Changes in the cadre policy, new production programs, and economic restructuring are the principal tasks to be carried out to revitalize economic activity in the Rijeka municipalities area and to enable it to catch up in international trade with the world. Workers' dissatisfaction at the declining living standard and rising prices was reflected in the fact that 18 strikes have taken place in the region since the beginning of the year and that letters have been sent to federal organs from the Viktor Lenac ship repair yard, the Rijeka oil refinery, and the 3 May Shipyard expressing workers' dissatisfaction and calling for effective and prompt solutions to the crisis. Compared with last year, the work organizations' total income has considerably declined this year, but action is needed to establish to what extent this is a result of the republician decisions and laws or of increased taxation by the municipalities.

This was discussed today by members of the Committee for All-People's Defense and Social Self-Protection of the Rijeka municipalities at a session attended by Drago Dimitrovic, secretary in the Presidium of the Croat LC Central Committee. [passage omitted]